



RICK SCOTT
GOVERNOR

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

www.flgov.com
850-488-7146
850-487-0801 fax

September 26, 2018

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

Dear Governor Scott:

In accordance with section 20.055, Florida Statutes, I am pleased to submit the Office of the Chief Inspector General's Annual Report for fiscal year 2017-2018. This report highlights our efforts and activities during the preceding fiscal year.

As this report exemplifies, the Office of the Chief Inspector General is committed to providing leadership in the promotion of accountability, integrity and public trust in government.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric W. Miller".

Eric W. Miller
Chief Inspector General

EXECUTIVE OFFICE OF THE GOVERNOR

OFFICE OF THE CHIEF INSPECTOR GENERAL



2017-2018 Annual Report

Presented

September 26, 2018

The Honorable Rick Scott
Governor of Florida

Eric W. Miller
Chief Inspector General



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

Office of the
CHIEF INSPECTOR GENERAL

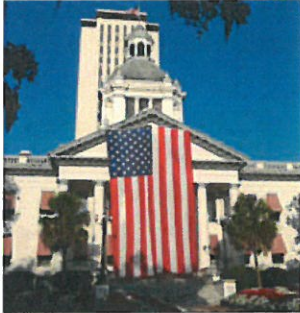
TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	3
INDEPENDENCE	3
PROFESSIONAL STANDARDS AND CODE OF ETHICS.....	4
ORGANIZATION AND STAFFING	4
CHIEF INSPECTOR GENERAL PROJECTS	5
INVESTIGATIVE ACTIVITY	7
AUDIT ACTIVITY	13
FINANCIAL EMERGENCY RESPONSIBILITIES	15
CONCLUSION	17



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

EXECUTIVE SUMMARY



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

Consistent with these responsibilities, the Office of the Chief Inspector General completed the following activities during fiscal year 2017-2018:

- Received, reviewed, and processed 2,185 complaints and requests for assistance by Florida's citizens and government employees and closed 1,945 complaints and requests;
 - Received, reviewed, and processed 2,311 pieces of additional information for existing correspondences by Florida's citizens and government employees;
 - Received and processed 215 final audit reports and corrective actions, pursuant to sections 20.055, F.S., which requires Inspectors General in agencies under the jurisdiction of the Governor to submit final audit reports and provide information related to significant findings and related corrective action plans to the Chief Inspector General;
 - Received 20 annual audit plans pursuant to section 20.055(6)(i), F.S., which requires Inspectors General to develop long-term and annual audit plans based on the findings of periodic risk assessments. In agencies under the jurisdiction of the Governor, Inspectors General are required to submit their annual audit plans to the Chief Inspector General;
 - Received, reviewed, and processed 48 notifications pursuant to section 20.055(2)(f), F.S., which requires Inspectors General in agencies under the jurisdiction of the Governor to keep the Chief Inspector General informed concerning fraud, abuses, and deficiencies related to programs and operations administered or financed by the state agency; recommend corrective action concerning fraud, abuses, and deficiencies; and report on the progress made in implementing corrective action;
 - Reviewed 102 personnel actions pursuant to section 20.055(3)(b), F.S., which requires Inspectors General in agencies under the jurisdiction of the Governor to hire or remove personnel in consultation with the Chief Inspector General, but independently of their agency;
-



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

- Received 161 whistle-blower determinations made by agency Inspectors General for compliance with sections 112.3187-112.31895, F.S., Florida's Whistle-blower's Act, resulting in 11 approved whistle-blower designations by agency Inspectors General and 3 approved whistle-blower designations by State Universities;
- Provided oversight for 7 whistle-blower investigations completed by agency Inspectors General, including reviews of final investigative reports and issuance of 7 final reports to mandatory recipients in compliance with applicable statutes;
- Completed or assisted with 10 investigations, reviews, and audits that resulted in recommendations for improvement of efficiency, effectiveness, and accountability in state programs;
- Completed nationwide searches for inspector general candidates to fill existing vacancies, resulting in the appointment of inspectors general for the Agency for Health Care Administration, the Department of Health, the Department of Military Affairs, and the Department of State;
- Contacted 58 local governmental entities to gather information for use in determining their financial emergency status in accordance with the provisions of section 218.503, F.S.;
- Served as the Governor's designee for financial emergencies pursuant to Chapter 218, F.S.;
- Served as a liaison between the Executive Office of the Governor and external auditors and investigators;
- Demonstrated compliance with the Florida Auditor General's triennial Quality Assurance Review of the Office of the Chief Inspector General's Internal Audit Activity; and,
- Provided training on Florida's Whistle-blower's Act to members of the Inspectors General community.



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

INTRODUCTION



The Chief Inspector General has a broad range of responsibilities outlined in sections 14.32 and 20.055, F.S. These responsibilities include: carrying out activities designed to deter, detect, prevent, and eradicate fraud, waste, abuse, mismanagement, and misconduct in government; initiating, supervising, and coordinating investigations; coordinating complaint handling activities with agencies; coordinating activities of the Whistle-blower's Act and maintaining the Whistle-blower's Hotline; conducting, directing, and supervising audit activities; monitoring activities of agency Inspectors General; issuing and serving subpoenas; and conducting special investigations and management reviews at the request of the Governor. The Chief Inspector General is also responsible for appointing and removing Inspectors General in agencies under the jurisdiction of the Governor. In addition, when a local governmental entity meets statutory conditions specified in section 218.503(1), F.S., the Governor has delegated responsibilities described within sections 218.50–218.504, F.S., *Local Governmental Entity and District School Board Financial Emergencies*, to the Chief Inspector General.

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

INDEPENDENCE

According to sections 14.32(4) and 20.055(3), F.S., the Chief Inspector General serves as the Inspector General for the Executive Office of the Governor and reports directly to the Governor to ensure audits, investigations, and other activities are performed with competence and independence, and to ensure findings and conclusions are developed in accordance with applicable professional standards. Additionally, by statute, the Chief Inspector General is not subject to supervision by any other employee except the Governor, and the agency head or staff shall not prevent or prohibit the Chief Inspector General from initiating, carrying out, or completing any audit or investigation.



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

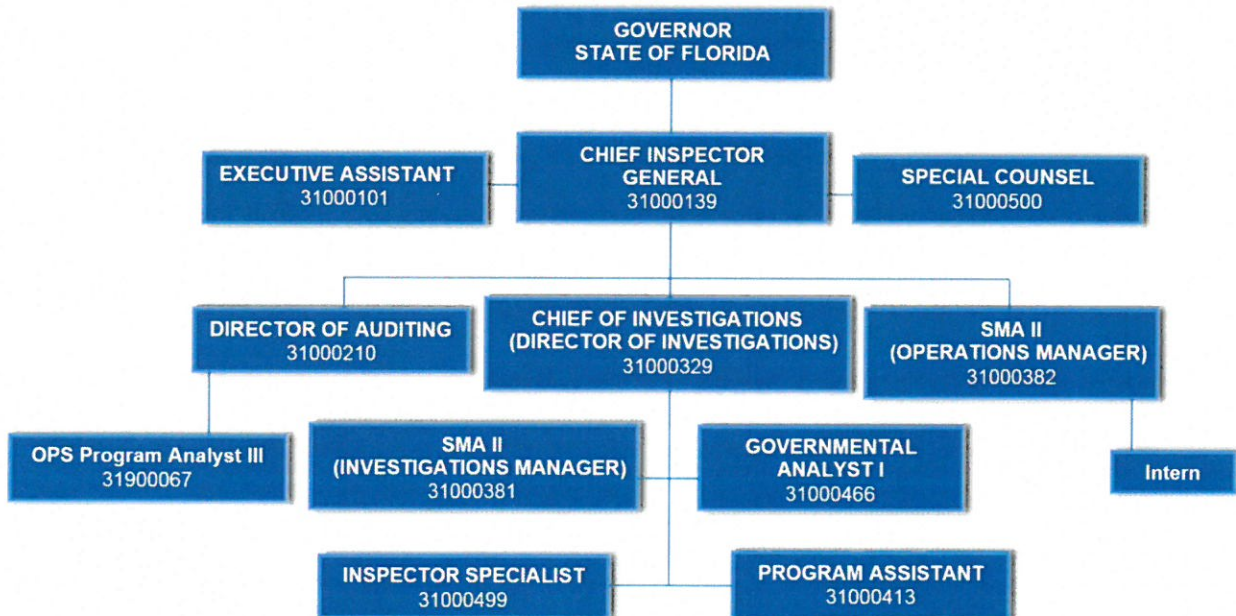
PROFESSIONAL STANDARDS AND CODE OF ETHICS

Pursuant to section 20.055(2)(j), F.S., the Office of the Chief Inspector General complies with the *Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General. Staff members abide by the Florida Code of Ethics for Public Officers and Employees as codified in sections 112.311-112.326, F.S., and the Executive Office of the Governor's Code of Ethics. Internal audits are conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Code of Ethics* published by The Institute of Internal Auditors, Inc.

ORGANIZATION AND STAFFING

During fiscal year 2017-2018, the Office of the Chief Inspector General staff included the Chief Inspector General, the Director of Investigations, the Director of Auditing, the Special Counsel, two Senior Management Analysts, a Government Analyst, an Executive Assistant, an Inspector Specialist, and a Program Specialist

Office Organizational Chart



As of June 30, 2018



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

Professional Certifications

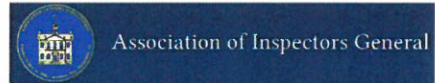
Members of the Office of the Chief Inspector General hold the following professional certifications:

- Certified Inspector General (2)
- Certified Inspector General Investigator (2)
- Certified Financial Crimes Investigator (1)
- Certified EEOC Investigator (2)
- Certified Internal Auditor (1)
- Certified Management Accountant (1)
- Certified Public Accountant (1)
- Certified Accreditation Manager (3)
- Notary Public (5)
- Certified Public Manager (1)
- Florida Certified Contract Manager (2)
- Licensed Private Investigator (1)

Professional Organization Affiliations

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

- National Association of Inspectors General (5)
- Florida Chapter of the Association of Inspectors General (8)
- The Institute of Internal Auditors, Inc. (1)
- International Association of Financial Crimes Investigators (1)
- Association of Certified Fraud Examiners (1)
- Florida Bar (1)
- International Association of Chiefs of Police (1)
- State Law Enforcement Chiefs' Association (2)
- Institute of Management Accountants (1)



CHIEF INSPECTOR GENERAL PROJECTS

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



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

Review of Lake City Correctional Facility

In January 2017, the Office of the Chief Inspector General initiated a review of the pricing and award of the operations contract associated with the privately contracted Lake City Correctional Facility. The Lake City Correctional Facility was established in 1997 to house male youthful offender inmates. For the period pertinent to the review, Lake City Correctional Facility was operated by the Corrections Corporation of America under contract with the Florida Department of Management Services. Our review identified no general or specific employee misconduct or mismanagement. No evidence was presented or disclosed during the course of this review that indicated a violation of any federal, state, or local law, rule, or regulation was committed by an employee or agent of an agency related to the LCCF contract or that any act of gross mismanagement, malfeasance, misfeasance, or gross waste of public funds was committed by an employee or agent of an agency in preparing, executing, monitoring, or renewing the LCCF contract. In addition, our analysis of the overall financial impact of the contract (through June 30, 2018) did not indicate the LCCF contract resulted in overspending, overpayments, or improper escalations.

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 review is currently ongoing.

City of Opa-Locka Financial Emergency Board

In June 2016, the Governor issued Executive Order Number 16-135, declaring the City of Opa-Locka in a state of financial emergency pursuant to section 218.503, F.S. The Governor established a Financial Emergency Board to oversee the activities of the City of Opa-Locka until their financial emergency is resolved and named the Chief Inspector General as the Governor's designee for carrying out the Executive Order.

Accreditation

The Office of the Chief Inspector General's investigative function is currently accredited by the Commission for Florida Law Enforcement Accreditation, Inc. (Commission). During the fiscal year, the Office of the Chief Inspector General and agency Inspectors General, in collaboration with the Commission, continued efforts to enhance compliance



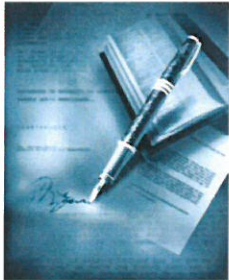
Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

with the *Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General through the advancement and support of the Office of Inspector General accreditation program. Throughout the fiscal year, the Office of the Chief Inspector General provided accreditation-related assistance to several Office of Inspectors General, conducted mock assessments for four Offices of Inspector General to assist with preparation for their on-site assessments by Commission assessors, and conducted three on-site accreditation assessments.

The following Offices of Inspector General earned or retained accredited status from the Commission during the fiscal year in addition to the Office of the Chief Inspector General: the Broward County Office of the Inspector General, the Department of Health Office of Inspector General, the Office of Financial Regulation Office of Inspector General, the Palm Beach County Office of Inspector General, and the Polk County Clerk of Court Inspector General. Also, the Office of Early Learning Office of Inspector General achieved re-accredited status during the fiscal year.

INVESTIGATIVE ACTIVITY

Summary of Investigative Activity



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

During fiscal year 2017-2018, the Office of the Chief Inspector General received the following complaints or requests for assistance during the fiscal year:

Complaints or Requests by Source

Source	Number
Email	372
Fax	18
Mail	458
Telephone	622
WB Hotline	282



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

Referral from IG Office	78
Referral from Other	137
Walk-in	6
Website	212
Total	2,185

The Office of the Chief Inspector General received the following additional information submissions related to existing cases and investigations during the fiscal year:

Additional Information by Source

Source	Number
Email	1,178
Fax	26
Mail	399
Telephone	252
WB Hotline	0
Referral from IG Office	316
Referral from Other	102
Walk-in	6
Website	32
Total	2,311

All complaints received and requests for assistance received were documented in the Office of the Chief Inspector General database. Overall, 2,185 complaints and requests were opened and 2,238 complaints and requests were closed during the fiscal year as follows:

**Summary of Complaint Activity by Quarter
Fiscal Year 2017-2018**

	Q1	Q2	Q3	Q4	TOTAL
Number of Complaints and Requests Opened	603	536	548	498	2,185
Number of Complaints and Requests Closed	631	529	573	505	2,238
Number of Whistle-blower Hotline Calls Received	44	54	71	113	282
Number of Complaints Referred to Other Entities	559	502	507	461	2,029



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

Investigative Highlights



The following case summaries provide an overview of cases in which the Office of the Chief Inspector General played a role.

Agency for Health Care Administration (AHCA)

CIG Case #2018-01-10-0007

On January 10, 2018, the Agency for Health Care Administration's (AHCA) Inspector General requested investigative assistance from the OCIG regarding the alleged misuse of AHCA information technology resources and the failure to disclose off-duty employment by an AHCA Office of Inspector General investigator. The OCIG opened an investigation and determined that allegations against the investigator were substantiated. The OCIG's investigation found that the AHCA investigator failed to adequately protect the name of a Medicaid recipient in accordance with HIPAA guidelines and the investigation uncovered documentation that showed a potential conflict of interest between the AHCA Investigator's off-duty employment as a private investigator and her job at AHCA's Office of Inspector General. After the investigation was concluded, the findings and conclusion were relayed to the AHCA OIG for appropriate action. Prior to the end of the investigation, the employee resigned.

Lake Shore Hospital Authority Board (LSHAB)

CIG Correspondence #2017-10-09-0006

On October 9, 2017, the OCIG opened a tracking case into allegations that the Lake Shore Hospital Authority Board (LSHAB) Executive Director was incorrectly classified as part of the Senior Management Service Class.

On December 19, 2017, this office received information from the LSHAB, in response to an inquiry from this office. Subsequently on January 24, 2018, this office received additional information from the Florida Department of Management Services, Division of Retirement, regarding these issues present in the allegations. After reviewing the information from both the LSHAB and the Division of Retirement, the OCIG found insufficient predicate for this office to initiate an investigation.

Florida Department of Health (DOH)

CIG Correspondence #2017-10-07-0002

On October 7, 2017, the OCIG opened a preliminary inquiry into allegations that the Department of Health's Office of Inspector General (DOH OIG) intentionally destroyed investigative evidence by corrupting interview audio recordings of the subject interview related to a DOH OIG investigation. The OCIG met with the complainant to obtain specific complaint details, and requested a response from the DOH OIG regarding the



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

complainant's concerns. The OCIG reviewed the information provided and found no evidence to indicate that the DOH OIG intentionally destroyed investigative evidence. The OCIG recommended the DOH OIG review their policies, procedures, and processes regarding the storage and retention of investigative audio recordings to ensure compliance with applicable laws, rules, policies, and procedures.

Lake Shore Hospital Authority Board (LSHAB)

CIG Correspondence #2017-08-25-0006

On August 25, 2017, the OCIG opened a tracking case into the allegations that a Lake Shore Hospital Authority Board (LSHAB) member's application was falsified. The OCIG determined that the board member resigned his position on December 12, 2017, and no further action was taken by this office regarding the board member's appointment to the LSHAB.

Florida Department of Corrections (FDC)

CIG Correspondence #2017-07-20-0007

On July 20, 2017, the OCIG opened a tracking case into concerns regarding the sufficiency of several Florida Department of Corrections' Office of Inspector General (FDC OIG) internal investigations and allegations of mismanagement by FDC OIG management. The OCIG met with the complainant to obtain specific complaint details, and subsequently requested a response from FDC OIG regarding the complainant's concerns. The OCIG reviewed the information provided and found no evidence to indicate that the FDC OIG handled matters outside the parameters of applicable Florida Statutes, and no issues were identified to warrant an investigation by the OCIG.

Florida Department of Juvenile Justice (DJJ)

CIG Correspondence #2017-06-29-0002

On June 29, 2017, the OCIG opened a tracking case into concerns regarding the Florida Department of Juvenile Justice's Office of Inspector General (DJJ OIG) investigation into improper conduct against multiple DJJ employees to include an executive level manager. The OCIG requested a response from DJJ OIG regarding the complainant's concerns. The OCIG reviewed the information provided and concurred with the DJJ OIG determination that a portion of the allegations were substantiated; however, the other concerns were referred to the DJJ Office of the Secretary for review and to address as the Department deemed appropriate. No further action was warranted by the OCIG.



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

Summary of Whistle-blower Activity

During the fiscal year, the Office of the Chief Inspector General played a vital role in processing requests for whistle-blower protection in accordance with the Whistle-blower's Act (Act). The Office of the Chief Inspector General ensured a consistent assessment process for applying statutory requirements by agency Inspectors General and provided coordination and oversight of investigative activities involving the most serious allegations.



Each of the 2,185 complaints and requests for assistance received by the Office of the Chief Inspector General was screened for compliance with the provisions of the Act. A total of 161 complaints warranted a more in-depth review resulting in seven approved whistle-blower designations by agency Inspectors General and four approved whistle-blower designations by State Universities.

During the 2017-2018 fiscal year, agency Inspectors General closed nine whistle-blower investigations. Twenty whistle-blower investigations remain ongoing. The Office of the Chief Inspector General monitored each case for completion and compliance with statutory timeframes and granted extensions for good cause when circumstances warranted, in accordance with statutory requirements. In addition, six final investigative reports were submitted to and independently reviewed by the Office of the Chief Inspector General for investigative sufficiency prior to final release. Whistle-blower cases that produced evidence of criminal violations were referred, as required by statute, to the Florida Department of Law Enforcement.

Whistle-blower Case Highlights

The following case summaries represent examples of the types of investigations conducted in accordance with the Florida Whistle-blower's Act.



Whistle-blower Case Summary #1

CIG Correspondence #2016-10-10-0004

On October 10, 2016, the Department of Education's Office of Inspector General (DOE OIG) initiated a Whistle-blower investigation to address allegations involving the Center for Independent Living of South Florida (CILSF). The allegations included concerns about the falsification of customers' disabilities for the customers to receive services, and a CILSF staff member running a for-profit business using CILSF's office equipment assisting CILSF customers with their immigration applications. The DOE OIG determined that there was insufficient evidence to substantiate the allegations.



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

Whistle-blower Case Summary #2

CIG Correspondence # 2014-02-25-0005

On April 10, 2014, the Department of Children and Families' Office of Inspector General (DCF OIG) initiated a Whistle-blower investigation to address allegations involving environmental conditions at the Northeast Florida State Hospital. The allegations included concerns of mold, unrepaired leaks in the ceilings, filth, sewage problems, and problems with insects and rodents. The DCF OIG's investigation determined there was sufficient evidence to substantiate allegations in this case.

Whistle-blower Case Summary #3

CIG Correspondence # 2014-09-30-0004

On September 12, 2014, the Department of Children and Families' Office of Inspector General (DCF OIG) initiated a Whistle-blower investigation to address allegations involving several violations by DCF employees. The allegations included concerns of improperly awarded contracts and/or circumventing procurement requirements regarding Purchase Orders (POs) for contracted services, allegations of a hostile work environment, allegations that an employee sexually harassed a subordinate and retaliated against the employee after learning the employee planned to file a complaint, and allegations that another employee circumvented DCF hiring procedures by placing unqualified individuals in positions due to personal interests. The DCF OIG investigated the allegations and determined that the evidence and information obtained during the investigation did not support the allegations.

Whistle-blower Case Summary #4

CIG Correspondence # 2017-07-18-0013

On July 14, 2017, the Florida Fish and Wildlife Conservation Commission's Office of Inspector General (FWCC OIG) initiated a Whistle-blower investigation to address allegations of purchasing fraud and bid rigging. It was alleged that single source purchases were utilized to avoid the statutory requirement for additional price quotes. The FWCC OIG found no specific evidence to support the allegations of the complaint.

Whistle-blower Case Summary #5

CIG Correspondence # 2018-01-23-0026

On January 16, 2018, the Florida Fish and Wildlife Conservation Commission's Office of Inspector General (FWCC OIG) initiated a Whistle-blower investigation to address allegations regarding theft and misuse of state equipment, managerial abuses, and harassment. The investigation was initially reviewed as a criminal investigation due to the allegation of theft; however, no equipment was determined to be missing and the



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

case was conducted administratively. The FWCC OIG determined that the evidence and information obtained during the investigation did not substantiate the majority of the allegations; however, allegations that a manager was impeding an employee's ability to perform their job duties and allegations that a manager was engaging in personal use of the state issued cell phone were substantiated. The FWCC OIG also presented a recommendation for FWCC management to consider requiring FWCC divisions/offices to review their monthly respective cellphone bills and acknowledge, by user signature, that their use of state-issued cellphones was for business purposes only.

AUDIT ACTIVITY

In accordance with sections 14.32 and 20.055, F.S., the Office of the Chief Inspector General is responsible for carrying out auditing duties and reviewing, evaluating, and monitoring the policies, practices, and operations of the Executive Office of the Governor. In addition, section 20.055(2), F.S., includes a description of activities related to the development, assessment, and validation of performance measures. These activities are integrated into the audit process, if applicable. During fiscal year 2017-2018, this office completed an annual audit plan, provided audit assistance to other agency Inspectors General, monitored the status of external audits, and participated in an Auditor General's Quality Assurance Review as follows:

Internal Audit Activities

Correctional Medical Authority - Audit Report Number A-17/18-001

Pursuant to section 14.32, F.S., and the Office of the Chief Inspector General's Fiscal Year 2017-18 Audit Plan, an audit of the State of Florida Correctional Medical Authority (CMA) was initiated. The audit covered the CMA's controls and accountability for its statutory responsibilities.

The Office of the Chief Inspector General's audit disclosed that during fiscal year 2016-2017, the CMA generally complied with statutory guidance and fulfilled its statutory responsibilities to monitor and promote the maintenance of adequate standards of physical and mental health in Florida's correctional facilities.

One area of non-compliance related to triennial reviews of correctional institutions was noted during our audit. For fiscal year 2016-2017, the CMA did not meet one of the requirements in section 945.6031, F.S., in that the CMA did not conduct surveys of all the correctional institutions at least triennially. Since 1995, when the requirement for triennial surveys at each correctional institution was first instituted, the CMA's funding and staff have been reduced by approximately half. This reduction in resources has had



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

a substantial impact on the CMA's ability to conduct surveys of all the correctional institutions at least triennially.

In its audit report, the Office of the Chief Inspector General recommended the Executive Director of the CMA seek assistance with policy and budget issues that have impacted the CMA's ability to conduct triennially surveys of the physical and mental health care system at each correctional institution. Specifically, we recommend the Executive Director of the CMA request additional funding and staff to conduct surveys and/or assistance in effecting change to the statutory language in section 945.6031(2), F.S., that would adjust the cycle for conducting surveys to a period longer than three years, to better accommodate the CMA's funding and staffing levels.

CMA management concurred with the audit's finding and recommendation.

City of Opa-Locka Legal Services – Review Report Number R 17/18-002

Pursuant to Section 14.32, F.S., and the *State and Local Agreement of Cooperation Between the Governor and the City of Opa-Locka* (City) related to Opa-Locka's financial emergency status, this review of the City's legal services was initiated by the Office of the Chief Inspector General. This review was based on concerns about charges for legal services expressed by Opa-Locka City Commissioners at their November 8, 2017 City Commission meeting.

The Office of the Chief Inspector General's review disclosed weaknesses and omissions in the *City Attorney Retainer Agreement* and the *Community Redevelopment Agency (CRA) Retainer Agreement* that could lead to disagreements between the City and the law firm and result in unintended additional costs and liabilities for the City. The *City Attorney Retainer Agreement* and the *CRA Retainer Agreement* did not clearly state the scope of services to be provided. The *City Attorney Retainer Agreement* used undefined terms, such as, "providing legal advice expected of a City Attorney" and "outside the scope typically expected of a City Attorney." Additionally, there was not a clear definition in the *City Attorney Retainer Agreement* of what was expected of a City Attorney. The *CRA Retainer Agreement* defined legal services as "all services that have been performed by prior CRA attorneys"; however, the City was not able to locate or provide copies of prior CRA attorney agreements to document what services had been performed by prior CRA attorneys. Key terms and guidance were also omitted from the *City Attorney Retainer Agreement* and the *CRA Retainer Agreement*, including establishing ownership of work products, defining records subject to public records release requirements, and clarifying access to records for audits and inspection related to City matters.

The Office of the Chief Inspector General recommended:



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

- The City amend the *City Attorney Retainer Agreement* and the *CRA Retainer Agreement* to clarify the terms of the agreements and include guidance on various issues that are not addressed in the current agreements;
- The City strengthen controls to allow a more thorough review of legal services invoices prior to payment to ensure that billing errors are corrected before payment is made and to determine the appropriateness of the items and amounts included in the invoices;
- The City strengthen its procedures and processes for reviewing legal services invoices before payment to ensure that amounts and services billed are in accordance with applicable contractual agreements; and,
- The City recover amounts related to incorrect rates charged legal services.

External Audit Liaison Activities

In accordance with 20.055(2), F.S., staff members of the Office of the Chief Inspector General served as the liaison between the Executive Office of the Governor and the Florida Auditor General on projects related to the Executive Office of the Governor. During fiscal year 2017-2018, the Office of the Chief Inspector General conducted a follow-up of the status of corrective actions recommended in Auditor General report number 2017-213.

FINANCIAL EMERGENCY RESPONSIBILITIES

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





**Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018**

Local Governmental Entities in Financial Emergency Status

There are over 2100 local governmental entities¹ (LGE) in Florida. As of June 30, 2018, there were 30 entities in financial emergency status as defined in section 218.503(3), F.S. These LGEs are listed in the following table:

LOCAL GOVERNMENTAL ENTITIES IN FINANCIAL EMERGENCY STATUS	
• Crossings at Fleming Island Community Development District (CDD)	
• City of Gretna	• City of Hampton
• City of Hawthorne	• City of Opa-Locka
• City of Pahokee	• City of Paxton
• City of Webster	• Disston Island Conservancy District
• Eastpoint Sewer and Water District	• Fallschase CDD
• Hamilton CDD	• Heritage Harbor CDD
• Heritage Isles CDD	• Indian Creek Village
• Reserve CDD	• St. John's Water Control District
• St. Lucie West Services District	• Stoneybrook CDD
• Suwannee Valley Transit Authority	• Suwannee Water and Sewer District
• Town of Caryville	• Town of Eatonville
• Town of Noma	• Town of Wausau
• Town of Westville	• Viera East CDD
• City of South Bay (released from F.E. status on 7/5/2018)	
• Leon County Educational Facilities Authority	
• Ocean Highway and Port Authority of Nassau County	

During the 2017-2018 fiscal year, the Chief Inspector General received notices from the Auditor General or from local governmental entities that 75 local governmental entities met one or more of the conditions of financial emergency specified in section 218.503(1), F.S. The Office of the Chief Inspector General requested additional information from 58 entities for use in determining the entities' financial emergency status. The Office of the Chief Inspector General also monitored the financial condition of various local government entities based on concerns discovered through Joint Legislative Auditing Committee meetings, news articles, correspondence from citizens, and questions from state and local government officials. During fiscal year 2017-2018, no new entities were declared to be in a state of financial emergency as defined in section 218.503(3), F.S.

¹ Local governmental entities, as defined in section 218.502, F.S., are counties [67], municipalities [410], and special districts [1709].



Executive Office of the Governor
Office of the Chief Inspector General
Annual Report 2017-2018

CONCLUSION

The members of the Office of the Chief Inspector General did an outstanding job in FY 2017-2018 providing a central point for the coordination of activities that promote accountability, integrity, and efficiency in state government. It is an honor and privilege to serve with these individuals and to provide a report on the accomplishments of the Office of the Chief Inspector General for fiscal year 2017-2018.



Executive Office of the Governor
Office of the Chief Inspector General
The Capitol, Suite 1902
Tallahassee, FL 32399-0001

Office: (850) 717-9264
Fax: (850) 921-0817
Whistle-blower's Hotline: 800-543-5353

http://www.flgov.com/inspector_general