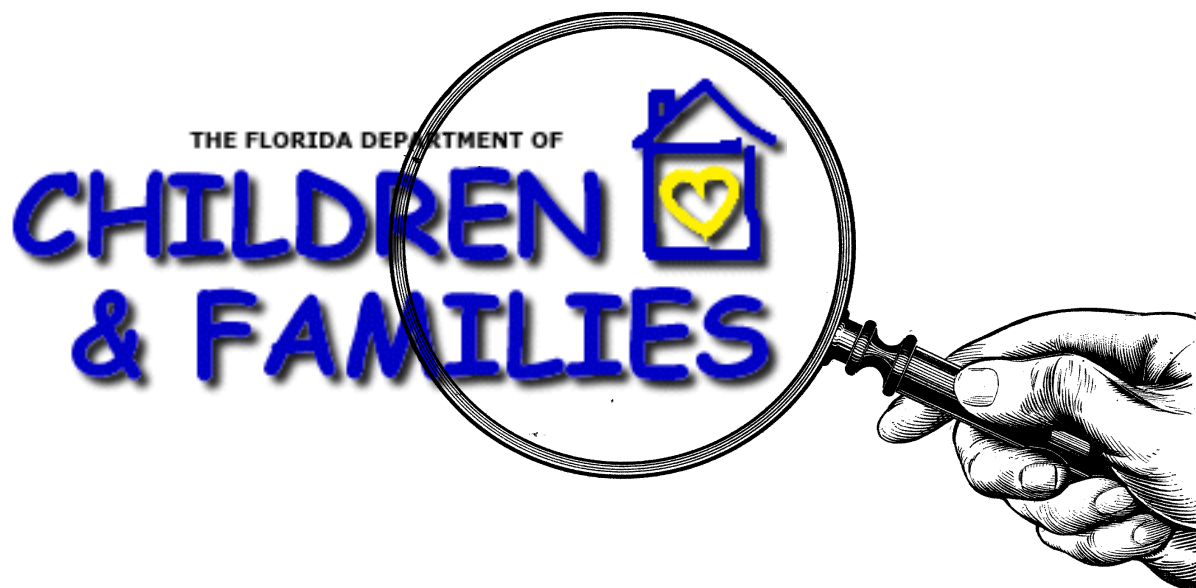


Office of Inspector General

Fiscal Year 1998

Annual Report

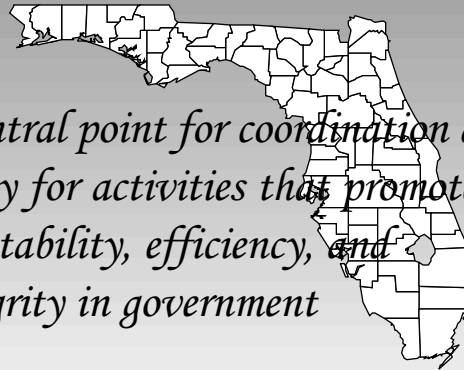


Integrity
Efficiency
Accountability

Working in partnership with local communities to help people be self-sufficient and live in stable families and communities.

Mission

*To provide a central point for coordination and
responsibility for activities that promote
accountability, efficiency, and
integrity in government*



*The Office of Inspector General Employee's
Code of Ethics*



Public accountability requires demonstrating to taxpayers that their resources are safeguarded and spent according to legal mandates and limitations, that their programs operate economically and efficiently; and, more importantly, that the legislature's desired results are obtained.

Though it is important for employees to understand that integrity, independence, and objectivity are precursors for accountability in the Office of the Inspector General (OIG) in any state agency, they must believe in it also. Therefore, the OIG plays a significant role in the accountability arena, even more so when the head of the agency is totally committed to the prevention of waste, fraud, and abuse in state government. The Secretary's mandate to every employee in the Department of Children and Families is that these

leadership traits are vital to the full realization of the agency's accountability.

Since perceptions of an OIG can be as damaging as reality, the professional ethics and personal behavior of OIG members are issues of great significance. Each demanding unassailable high moral standards, faithful obedience of the law; a strict avoidance or even the appearance of unethical behavior; and an unrelenting self-discipline to independent and objective thoughts and work habits that emulate integrity in every sense of the word. Moreover, as the central point for coordination and responsibility of activities that promote public accountability in the department, every member of the OIG is personally committed to legally fulfilling the true spirit and intent of the goals and objectives listed in §20.055, F.S.

Compromise any of them and the need for an OIG no longer exists!

TABLE of CONTENTS

MISSION i

THE OFFICE OF INSPECTOR GENERAL EMPLOYEE'S CODE OF ETHICS ii

TABLE OF CONTENTS iii

LIST OF FIGURES iv

LIST OF TABLES v

EXECUTIVE SUMMARY 1

SECTION A: INTRODUCTION 3

SECTION B: OFFICE OF INVESTIGATIONS 6

 Investigations Highlights 8

SECTION C: OFFICE OF INTERNAL AUDIT 13

 Performance Audit 16

 Contract Audit 18

 Information Systems Audit 20

SECTION D: OFFICE OF APPEAL HEARINGS 24

 Fair Hearings 24

 Nursing Home Transfer/Discharge Hearings 25

 Administrative Disqualification Hearings 26

SECTION E: OFFICE OF QUALITY CONTROL 28

 Administration of Quality Control 28

 Programs Reviewed 28

 The Review Process 29

 Error Rate 29

 Medicaid 29

 Reports and Corrective Action Efforts 30

SECTION F: STATEWIDE HUMAN RIGHTS ADVOCACY COMMITTEE 31

APPENDIX I: INVESTIGATIONS BY DISTRICT 32

LIST OF FIGURES

Figure A.1: Office of Inspector General Organizational Chart 5

Figure B.1: Request for Investigations, Get Lean Complaints, Whistle-blower Requests and
Miscellaneous Complaints..... 7

Figure B.2: District and Central Office's Criminal Notifications 7

Figure B.3: Complaints and Investigations by Region 8

Figure C.1: Audit Resources Planned vs. Utilized 14

Figure C.2: Ad-Hoc Customers Served 15

Figure C.3: Ad-Hoc Requests by Program 15

Figure D.1: Fair Hearings Completed by District..... 25

Figure D.2: Dollars of Overpayment Associated with Disqualifications 26

Figure D.3: Months of Program Disqualifications for Intentional Program Violations 27

LIST OF TABLES

Table C.1: Internal Audit Positions 13

Executive Summary

Immediately prior to this fiscal year, the new Inspector General (IG) initiated an Office of Inspector General's (OIG) review of the current structure, management systems, internal controls, indicators and investigator to employee ratios in comparison with other state OIGs. Input from program managers, assistant secretaries, and district administrators, combined with the existing knowledge of historical and current operations from the executive staff of the OIG, resulted in the reengineering of the OIG during FY 1998.

Major targets of opportunity at the time were the eight positions which were recently approved by the legislature; the presence of bright, talented, dedicated professional individuals throughout the OIG; and, a new Department of Children and Families' attitude which had already been launched with a major emphasis on accountability.

To project the secretary's intent to improve efficiency, effectiveness and accountability, the reengineering process focused on strategically locating all OIG personnel throughout the state into three regions, each under the direct cognizance of one supervisor in order to: extend management out to where the action is; consolidate administrative and logistical resources for OIG personnel in Investigations, Quality Control, Appeal Hearings, and Auditing Offices; and to enhance the potential for synergism among all OIG personnel through co-location, consolidation, and the development of an Operations Center.

The Operations Center's primary focus is to develop a formal training program; provide statistical information and trend analysis data to facilitate management's decision making processes; and to merge the existing correspondence and case tracking systems into one case management tracking system.

The Operations Center processed reference checks for 1674 personnel to determine if they had ever been under investigation by this office. A total of 95 notifications of alleged serious wrongdoing were processed to include criminal activity by department employees which is now reported and tracked statewide. Additionally, 78 public records requests were processed for information contained within official OIG files.

The Operations Center also processed 554 complaints of which 436 were referred to the department's managers for review and response to this office. The remaining complaints were referred to another agency or the appropriate district or headquarter's office for action as deemed appropriate; were resolved via telephone or letter; or, did not contain enough information to pursue.

The investigations unit opened 91 preliminary inquiries and full investigations and completed a total of 113. Of the 113 completed, 33 were preliminary inquiries that did not warrant a full-scale investigation by this office. Reasons included, but not necessarily limited to, a determination that the issue had already been investigated by another entity, was referred to law enforcement, or to another jurisdiction as appropriate. Three investigations were completed in accordance with the Whistle-blower's Act, §112.3189, F.S.

Two major program initiatives affected the Office of Appeal Hearings' workload during FY 1998: an increase of 15 percent in fair hearings related to the welfare reform process; the second was the 47 percent increase in disqualification hearings associated with the department's fraud prevention activities. While concurrently attempting to work as many of these cases as possible within the federal time frames, action has been

taken to develop the resources necessary to complete all cases within the required time frames.

The Office of Quality Control measures accuracy of public assistance programs through statistical sampling. Quality Control conducted reviews on 1,380 Food Stamp, 1,318 TANF, and 673 Medicaid cases. Negative reviews which resulted in closures or denials were completed on an additional 816 Food Stamp, 621 TANF, and 262 Medicaid cases.

The error rate for FFY 97 was 10.26 percent for Food Stamps and 7.51 for TANF. The Medicaid error rate continues to remain below the 3 percent tolerance level.

Internal auditing provided management significant independent appraisals about the adequacy and effectiveness of systems of internal control and quality of performance.

In addition to completing three major in-depth audits, internal auditors also completed a district wide management review, a department-wide detailed personnel assessment, and annual risk assessment; 31 external auditing assignments; processed 294 CPA reports or attestation statements; monitored the awesome Year 2000 effort and the development process for the State Automated Child Welfare Information System as well. Though auditors played a major role in recouping \$539,996 from providers, the potential for another recoupment of \$432,000 remains.

Of particular significance this year was the conception of the multiple state agency task organized "team audit concept" whereby two or more state departments or agencies combine their expertise, experience, resources, and authority to overcome the ever increasing capability of those who indulge in waste, fraud, and abuse of taxpayer dollars. Department auditors worked jointly with the Attorney General, Comptroller, State Attorney's Office, Health Care Administration, and the Department of Juvenile Justice on several major

projects which resulted in recommendations to recoup \$388,408, with an added potential of recovering millions of dollars more in the very near future.

With 22%, or approximately 4195 hours of audit staff time lost due to vacancies from turnover and a hiring freeze, only 9 of the 14 professional auditing positions were available this fiscal year. Auditing's major challenge this year is to attract and retain quality auditors to enhance effectiveness and efficiency of accountability in the future.

The OIG has cooperated with the Office of Standards and Evaluations to determine the validity and reliability of the data that supports the performance measures used for the Alcohol, Drug Abuse and Mental Health programs. Action has been taken to establish the staff necessary to independently coordinate and validate the data collection and benchmarking processes used to evaluate all departmental performance measures.

The responsibilities of the Statewide Human Rights Advocacy Committee (SHRAC) include but are not limited to organization and operation of the statewide and district HRACs. A major responsibility of the district HRACs is to receive and investigate reports of abuse or deprivation of constitutional and human rights of any program or contract provider of the Department of Children and Families or agencies via agreements. A significant challenge that SHRAC and HRACs continue to struggle with is the relocation of the system to an independent location.

Section A: Introduction

This report, as required by §20.055(7) F.S., summarizes the Office of Inspector General's (OIG) authority and activities for FY 1998.

The mission of the OIG, the Department of Children and Families, is to provide a central point for coordination and responsibility for activities that promote integrity, efficiency, and accountability in government. The basic duties and responsibilities of the OIG are to:

- Advise in development of performance measures, standards, and procedures for the evaluation of state agency programs.
- Assess reliability and validity of the information provided by the state agency on performance measures and standards, and make recommendations for improvement, if necessary.
- Review the actions taken by the state agency to improve program performance and meet program standards and make recommendations for improvement, if necessary.
- Provide direction, supervise, and coordinate investigations, audits, and reviews related to management and operations.
- Conduct, supervise, or coordinate other activities carried out or financed by the agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in its programs and operations.
- Keep the agency head informed concerning fraud, abuses, and deficiencies relating to programs and operations of the agency.
- Recommend corrective action concerning fraud, abuses, and deficiencies and report on the progress made in implementing corrective action.

- Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication; review as appropriate, rules relating to programs and operations and make recommendations concerning their impact.

- Ensure an appropriate balance is maintained between audit, investigative, and other accountability activities; develop long-term and annual audit plans based upon the findings of periodic risk assessments.

The Regional Supervisors' responsibilities are to provide supervision and feedback to investigators; keep the IG, Chief of Investigations, and district administrators informed; develop investigative plans; provide administrative training support; create an OIG awareness throughout their respective regions; establish cross-training, i.e. Institutional, Child Welfare, Substance Abuse, and Contract Management knowledge; provide input to the OIG fraud, waste, and abuse data system; coordinate Management Reviews and Inspection Programs; and to facilitate communications and understanding of OIG programs and issues.

Regional Supervisors are currently finalizing consolidation and assuming administrative responsibility for all regional OIG personnel to include Quality Control, Appeal Hearings, and operational control of the following investigative personnel.

East Region: Orlando

1. Regional Inspector Supervisor (1)
2. Regional Inspector (2)
3. Regional Inspector (2)
 - West Palm Beach Satellite Office

South Region: Miami

organizational structure illustrated in Figure A.1.

1. Regional Inspector Supervisor (1)
2. Administrative Assistant (1)
3. Regional Inspector (2)
4. Regional Inspector (1)
 - Ft. Lauderdale Satellite Office

West Region: Tampa

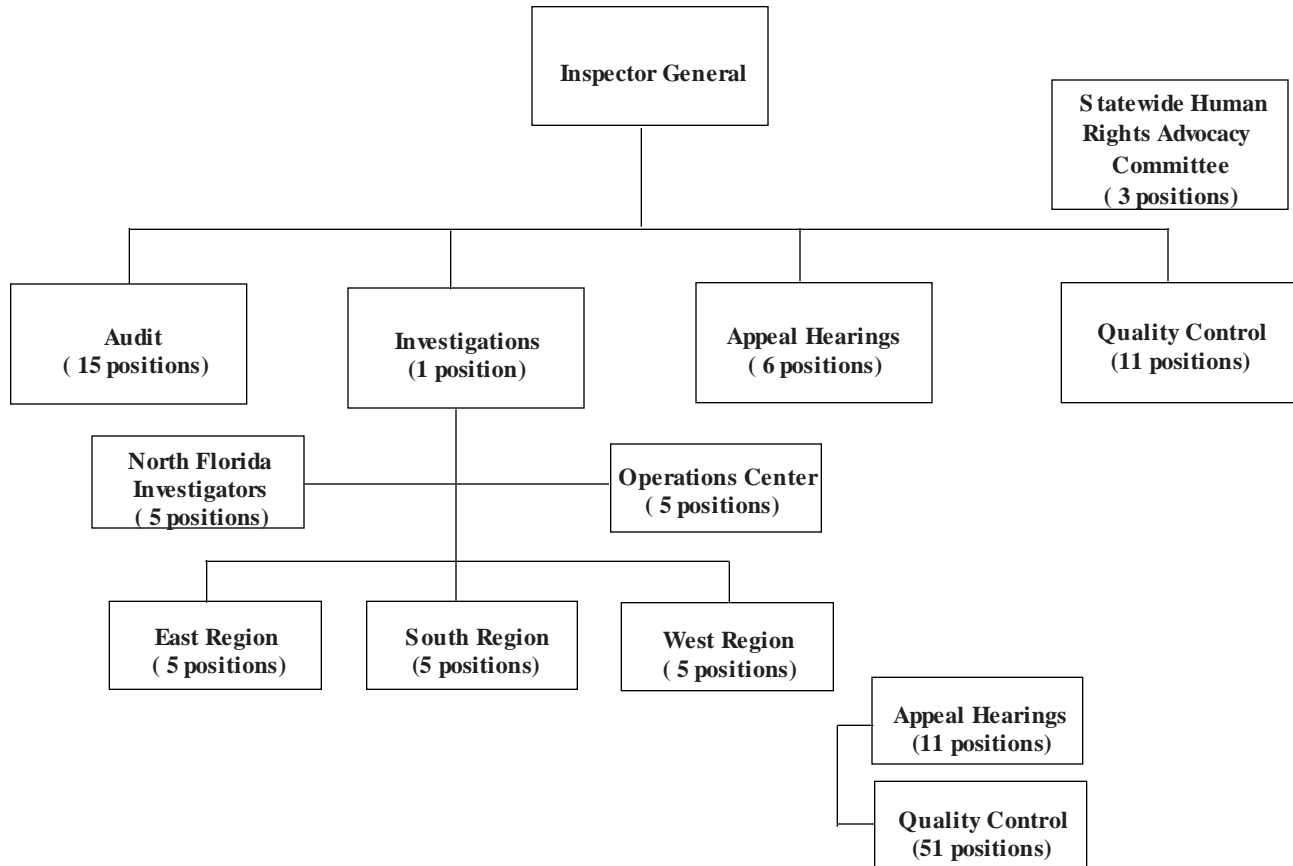
1. Regional Inspector Supervisor (1)
2. Regional Inspector (2)
3. Regional Inspector (1)
 - New Port Richey Satellite Office
4. Regional Inspector (1)
 - Ft. Myers Satellite Office

Operations Center: The Operations Center, under the cognizance of the Chief of Investigations, coordinates the three Regional Supervisors, six information systems/administrative personnel, and five investigators as indicated in Figure A.1:

1. Chief of Investigations (1)
2. Operations Supervisor (1)
3. Management Review Specialist (1)
4. Senior Management Analyst I (1)
5. Administrative Assistant II (1)
6. Administrative Assistant I (1)
7. Regional Inspector (3)
 - Regional Inspector (1) - Gainesville
 - Regional Inspector (1) - Jacksonville

The objective is to conduct pro-active management reviews; provide training and assistance visits; collect, analyze, and disseminate ad-hoc statistical data to management; provide investigative skills, leadership, and peer training; propose legislation; and maintain a statewide OIG sense of urgency. Colocation and consolidation has already occurred in the regions where feasible and January 1, 1999 is the goal set for the ultimate

Figure A.1
Office of Inspector General



- Administrative, public affairs and district liaison support
- Operational control only

Section B: Office of Investigations

The Operations Center is primarily responsible for correspondence and complaint intake. Once the information is logged into the tracking system, the staff reviews and screens for referral to the proper agency for handling. This may include the investigative staff, department managers, or other agencies. The Operations Center also is tasked with coordinating responses of personnel reference checks on current and former employees who apply for positions within the department; logging and tracking criminal allegations and dispositions involving department employees; logging, tracking and responding to public record requests; and the logging, updating and tracking of corrective actions taken on preliminary as well as full investigations. Additionally, the Operations Center is responsible for collecting, analyzing and disseminating data for management.

During FY 1998, the Operations Center received a total of 554 complaints. Of these, 436 were referred to department managers for review and response to this office. Each response was reviewed to ensure that the complainant's concerns were adequately addressed and to determine if additional investigative activity was warranted. The remaining complaints were referred to another agency or to the appropriate district or headquarters office for handling as deemed appropriate; were resolved via telephone or letter; or did not contain enough information to pursue.

The Operations Center processed 1,674 personnel reference checks to determine if they had ever been under investigation by this office. Additionally, a total of 95 notifications of alleged serious wrongdoing, including criminal activity, by department employees statewide were reported and tracked. Finally, 78 public records requests were processed for information contained within official OIG records.

As summarized in Figure B.1, the majority of complaints received came from a variety of sources, to include but are not limited to: employees, clients, family members, and private citizens via telephone calls, letters, and visits. Figure B.2 reflects, by district, the criminal notifications and administrative action taken.

After the Operations Center logs correspondence and complaints, the information is reviewed by the Chief of Investigations for assignment and follow-up to the appropriate regional supervisor for local handling and coordination. Regional staff are responsible for providing assistance to federal, state, and local law enforcement agencies on cases related to possible and actual criminal violations; serve as department liaison to law enforcement agencies; work in conjunction with other state agencies and administrative entities involving employee or provider misconduct; and to present fact-finding reports of inquiries and investigations for information or action by management. Requests for assistance or investigations are received via telephone, letters, and personal visits from the Governor's Office, the Chief Inspector General's Office and other OIGs; legislators; the agency head, managers, administrators and employees; clients; or anyone with a concern about the integrity of the agency's operations or employees.

During FY 1998, the investigations unit opened 91 preliminary inquires ("P" cases) and full investigations and completed a total of 113. Of the 113 completed, 33 were preliminary inquiries that did not warrant a full-scale investigation by this office. Reasons included but were not limited to determinations that the issues were already investigated by another entity, were more appropriately referred to law enforcement or another jurisdic-

Figure B.1

Request for Investigations, Get Lean Complaints, Whistle-Blower Requests and Miscellaneous Complaints

Total = 554

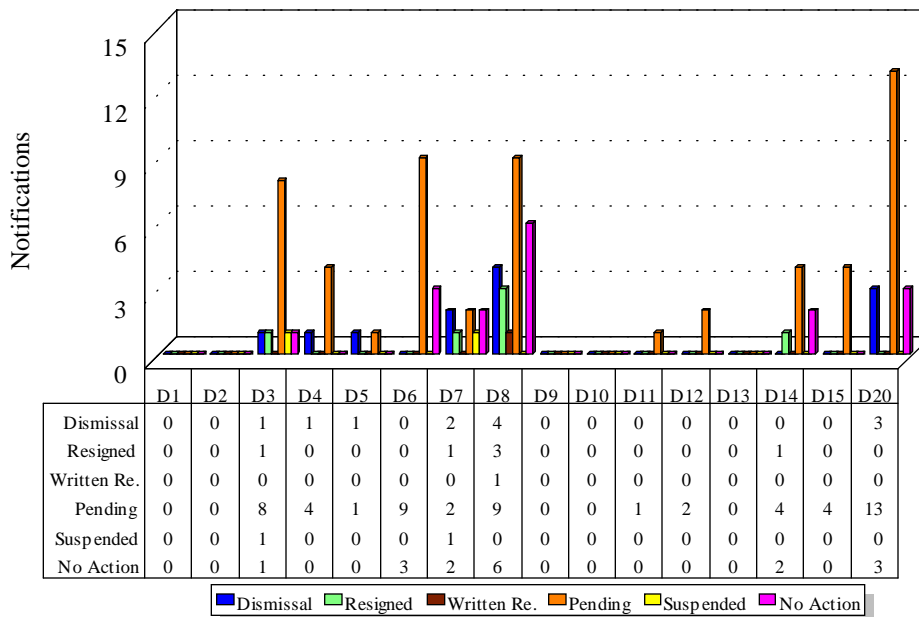


Source: Correspondence Tracking System

Figure B.2

District and Central Office's Criminal Notifications

Total = 95



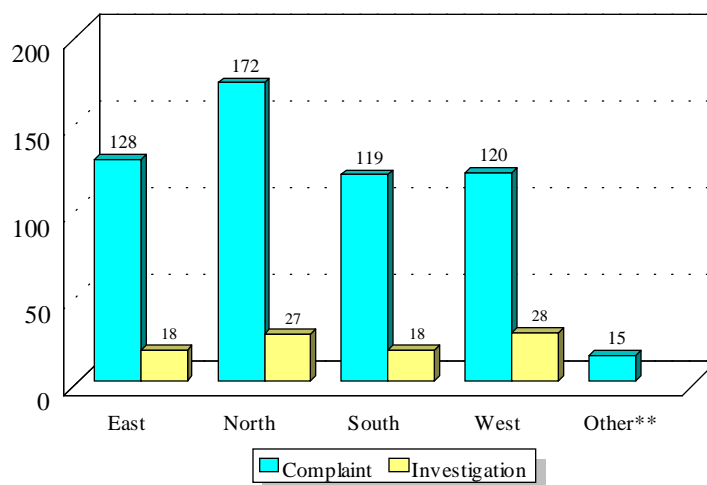
Source: Correspondence Tracking System

diction. In addition, three investigations were completed in accordance with the Whistle-blower's Act or §112.3189, F.S. Figure B.3 depicts the re-

gional distribution of complaints and investigations initiated and completed.

Figure B.3

Complaints and Investigations* by Region



* includes preliminary inquiries and full investigations

** complaints that were referred to the other agencies by this office

Source: Correspondence Tracking System and Case Management System

Investigations Highlights

As previously stated, a total of 113 inquiries and investigations were closed by OIG inspectors during FY 1998. A complete listing of those inquiries and investigations is provided as Appendix I. Detailed reports of investigations can be provided upon request. The following summaries are significant inquiries or full investigations (113) which represent a broad spectrum of case types investigated by this office:

Headquarters — Tallahassee, Florida (Inspector General Case #97-0079)

This investigation was initiated based on information received from the Department of Health alleging that a Department of Children and Families office automation analyst violated confidentiality by accessing a neighbor's Florida System file. The client alleged that the employee was in possession of financial information which could have come only from the client's confidential file. During the investigation, the employee admitted that he accessed the electronic file. He said that he did view the client's confidential information but did not use it in any manner. The

employee resigned from his position before any personnel action was taken.

**Headquarters — Tallahassee, Florida
(Inspector General Case #98-0018)**

This investigation was initiated based on a complaint received by Secretary Feaver's office to determine if a breach of confidentiality had occurred at the Florida Abuse Hotline. Information had been released by an AFSCME staff representative, indicating that confidential information was known by the staff representative in violation of Florida Statutes and department policy.

Information received at the inception of the investigation revealed an abuse report had been accessed and printed at least twice. Initial interviews revealed the necessity to conduct an in-depth data base search to determine the number of employees who had actually accessed the abuse report without authorization to do so. In addition to employees accessing reports containing confidential information, it was determined that several employees had shared passwords in direct violation of the department's security agreement which was signed by employees whose responsibilities required them to have access to certain confidential information.

The findings revealed that certain members of the hotline staff, including two supervisors, breached confidentiality within the confines of the Florida Abuse Hotline. The employees involved in accessing the abuse report did so in violation of Florida Statutes and departmental policy related to the control and protection of confidential information.

As a result of this investigation, disciplinary action ranging from oral and written reprimands to suspension was recommended for eleven employees.

**Headquarters — Tallahassee, Florida
(Inspector General Case #97-0006)**

This investigation was initiated based on information provided by the Director of the Economic Services Program Office's Individual and Family Grant Program. It was alleged that a staff member of that office had cashed checks and money orders from clients which were intended to repay their personal grant overpayments. As a result of this investigation and the Tallahassee Police Department's involvement, it was documented that the subject had altered clients' checks and money orders by writing his own name as the payee and cashing the financial instruments. The subject was arrested and charged with thirty-one counts of uttering and thirty-one counts of fraud. The subject was sentenced to one year in jail and ordered to pay restitution.

**District 2 — Quincy, Florida
(Inspector General Case #97-0085)**

This investigation was initiated as a result of allegations of falsification of records and misuse of state equipment by a family services counselor. The deputy administrator stated that during an unrelated interview of another employee, that employee made allegations that the family services counselor misused state equipment and falsified entries in a foster care case file.

Collateral information was developed to validate all specified entries in the foster care case file, except one. Information developed for that entry reflects that the counselor did not sign and the counselor's supervisor did not review a sign-in log maintained in a foster home as required by district policy. Information was developed to show that the counselor and the counselor's supervisor misused state equipment.

The family services counselor received disciplinary action a one-day suspension and the supervisor received a ten-day suspension.

**District 3 — Gainesville, Florida
(Inspector General Case #98-0015)**

Based on an anonymous complaint, an inquiry was initiated to determine if an operations program administrator mismanaged an adult protective investigations unit. The complaint alleged that three employees were forced to leave, that there was high employee turnover in the unit, workloads were unreasonable, mandatory overtime was required, and the operations program administrator made constant threats of administrative action and had a close friendship with the district administrator.

The inquiry did not disclose evidence that the unit was mismanaged. No employees were forced to leave and the turnover rate was not high. The allegation of unreasonable workloads was not supported by evidence. Mandatory overtime was ordered and paid to employees to reduce case backlog in compliance with regulations and Florida Statutes. The staff was not constantly threatened with administrative action; however, they were held accountable for their job performance standards and made aware that failure to meet these requirements could result in placement on performance improvement plans. The alleged friendship with the district administrator was professional in nature and had no bearing on the allegations.

**District 4 — Jacksonville, Florida
(Inspector General Case #98-0033)**

Based on an anonymous complaint that an employee was blackmailing and soliciting bribes from day care owner/operators, the District 4 Administrator requested an inspector general investigation.

The employee, supervisory personnel and 102 day care owner/operators were contacted during the investigation. The information obtained

did not support the allegation that the employee engaged in any misconduct.

**District 5 — St. Petersburg, Florida
(Inspector General Case #97-0051)**

At the request of the District 5 Administrator, this investigation was conducted to determine if a district clerk typist specialist had “borrowed” information about a child of a department client. The investigation confirmed that the clerk typist specialist had entered into an agreement with a department client to borrow the social security card and birth certificate of the client’s child in order to claim the child as a foster child and federal income tax deduction. The clerk typist had agreed to pay the client \$300.00. The clerk typist failed to pay the client the agreed amount of money and was subsequently battered by the client at the St. Petersburg Service Center. The completed investigative report was forwarded to the Department of Internal Revenue for appropriate action. The clerk typist specialist resigned her position.

**District 7 — Orlando, Florida
(Inspector General Case #97-0065)**

At the request of the District 7 Administrator, this investigation was conducted to determine if a district computer systems analyst sold a state computer containing Health Department files to a private citizen. The investigation determined that the employee had sold a computer to a private citizen and solicitation for the sale was made while the employee was on duty. However, comparison of computer serial numbers against the machine in question revealed that the machine was not state-owned. In fact, the computer was purchased from a local flea market, repaired by the employee, and sold to the citizen who happened to be a relative of another state employee. Information obtained did not support the allegation that the computer contained Health Department files.

Data extracted from the computer's hard drive was reviewed by a Department of Health expert who determined that the data did not relate to the department. The employee stated that the medical information on the hard drive was placed on the computer by a friend prior to its sale.

As a result of this investigation, the employee was counseled regarding the State's prohibition on solicitation on agency time and advised that further action to solicit on duty would result in disciplinary action.

**District 7 — Melbourne, Florida
(Inspector General Case #98-0029)**

This investigation was requested by the District 7 Administrator based upon an allegation that an employee had worked at a local radio station while on state time. The subject stated that he liked jazz music and that he would work as an unpaid volunteer at a radio station near his office on his lunch time. He stated that he would select and record music and approximately every two weeks the radio station would play his music and pre-recorded message about the selection and artist chosen. He said that some of his co-workers must have heard the program during work and thought that it was a live broadcast. Interviews of the radio station manager and co-manager and other key interviewees confirmed the subject's statements.

**District 11 — Miami, Florida
(Inspector General Case #98-0021)**

This investigation was requested based on an anonymous letter alleging that employees were accepting money (bribes) to approve licenses to open new foster homes or to approve increases in client capacity for current foster homes.

The investigation revealed no information that the employees were accepting bribes or being offered money during the licensing procedures. The employees named in the anonymous letter as

those accepting bribes do not license foster homes. One of the employees is a supervisor who approves licenses for substance abuse programs and developmental services group homes. The second employee places clients into properly licensed developmental services group homes.

However, the investigation found deficiencies in documentation which could prevent effective management of the licensing process. For example, records were difficult to locate and several of the documents did not contain the telephone numbers of the group homes. Directory assistance could not provide the telephone numbers for homes listed in the records. As a result, case workers would find it extremely difficult to contact licensed group homes.

District 11 took no disciplinary action regarding the employees but instituted a corrective action plan of the deficiencies found to include advising staff of the need to record licensed group home telephone numbers and ensuring that filing of approved and denied licenses were done separately and alphabetically.

**District 11 — Miami, Florida
(Inspector General Case #97-0073)**

At the request of a District 11 Developmental Services employee, an investigation was initiated to address an allegation that a private personal care provider had been paid for services not provided. The investigation confirmed that the provider had received \$1,875 for services reportedly provided to a client from February through July 1997. The parent of the recipient child provided a written, notarized statement attesting that the services of the personal care provider were not provided for the period in question. The investigative case was referred to the Dade County State Attorney's Office and the subject was arrested and placed on probation pending restitution.

**District 12 — Daytona Beach, Florida
(Inspector General Case #97-0018)**

This investigation was based on an anonymous complaint alleging that a program manager misused state equipment, state time and state employees. The complaint also alleged that the employee accessed the computer system to look up names of co-workers, friends and relatives for personal reasons. Additionally, it was alleged that the employee was behaving in a manner that was degrading and humiliating to program staff.

The investigation developed evidence that numerous personal projects were completed by the employee and program staff who used state equipment during and after regular office hours. Several workers were unable to perform their regular

duties because other employees were using state equipment to prepare personal projects for the program manager. It was also determined that program staff were used to perform personal services for the program manager. No information was developed that the department computer system was accessed for personal reasons. Fourteen current and former employees said that the program manager verbally degraded and humiliated program staff, sometimes in the presence of persons outside the department.

As a result of this investigation, the employee was suspended for 30 days and demoted to a non-supervisory position.



Section C: Office of Internal Audit

The Office of Internal Audit was responsible for performing five major functions during FY 1998: performance auditing, financial related, performance and compliance audits; contract auditing, including single audit compliance; information systems auditing; coordination of responses to external audit reports; and performance measure reviews. These functions are authorized by §20.055, F.S. Audits are conducted in accordance with the current Standards for the Professional Practice of Internal Auditing and Statements on Internal Auditing Standards published by the Institute of Internal Auditors, Inc., or in accordance with generally accepted governmental auditing standards.

Section 282.318, F.S. provides further support for information systems audit by requiring internal audits of the security program for data and information technology resources.

The Office of Internal Audit is headed by a director of auditing, who reports directly to the inspector general. During the FY 1998, the office was composed of 15 positions, all located in Tallahassee. Five of the 15 positions were assigned to conduct performance audits as previously defined, four for contract audits, four for information systems audits, and one for staff support. A breakdown of positions by title is shown below.

Table C.1

Internal Audit Positions

Position Title	Number of Positions
Director of Auditing	1
Computer Audit Supervisor	1
Senior Management Analyst Supervisor	1
Senior Management Analyst II	1
Audit Administrator	1
Audit Evaluation & Review Analyst	3
Management Review Specialist	1
Computer Audit Analyst	2
Senior Management Analyst I	2
Internal Auditor II	1
Administrative Assistant II	1

Staff certifications are as follows:

- 4 Certified Public Accountants
- 1 Certified Public Manager
- 2 Certified Internal Auditors
- 1 Certified Information Systems Auditor
- 1 Criminal Justice Certification

In addition to the above, two of the staff sat for the June 1998 Certified Information Systems Auditor Examination. Six of the staff have post graduate degrees and five have over ten years of auditing experience. All staff are members of the Institute of Internal Auditors, participate in various other professional organizations and attend training seminars to maintain proficiency in their certifications to comply with the education, training, and ethical requirements of Government Auditing Standards.

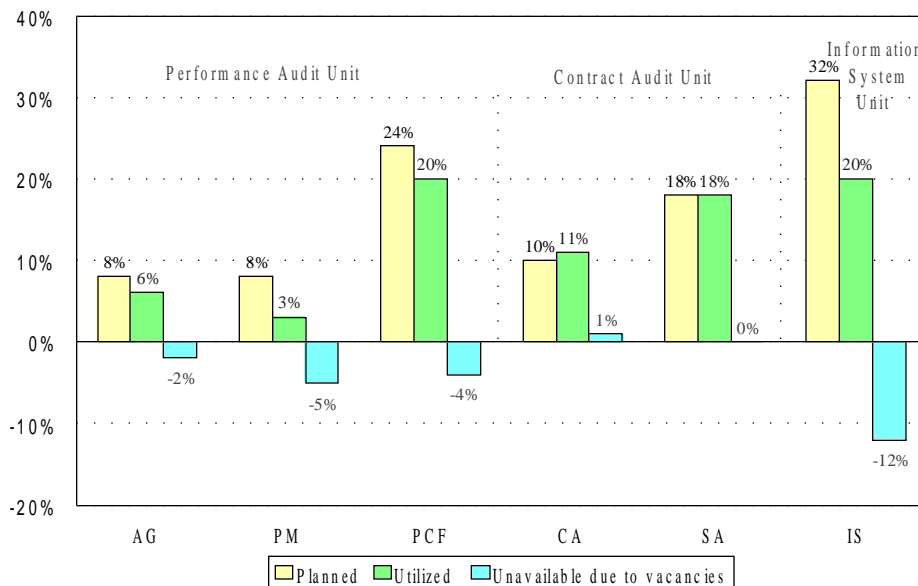
As stated in §20.055(5)(h), F.S., “The inspector general shall develop long-term and annual audit plans based on the findings of periodic risk assessments.” Such a risk assessment was conducted as the basis for proposing audits to be conducted during FY 1998. The analyses identified over 1,500 auditable units that were ranked in order of assessed risk exposures.

The audit plan was used as the basis for audit assignments. Staff assignments were allocated to each functional area in proportion to the number of assigned staff.

Figure C.1 shows the distribution of audit staff time by function. Note that 22%, or approximately 4195 hours, of audit staff time was unavailable due to vacancies.

Figure C.1

Audit Resources Planned vs. Utilized



Note: AG ---- Auditor General, Federal Auditors; PM ----- Performance Measures; PCF---- Performance, Compliance, Financial Related Audits; CA ---- Contract Audits; SA ---- Single Audits; IS ---- Information Systems Audits
 Source: Office of Internal Audit

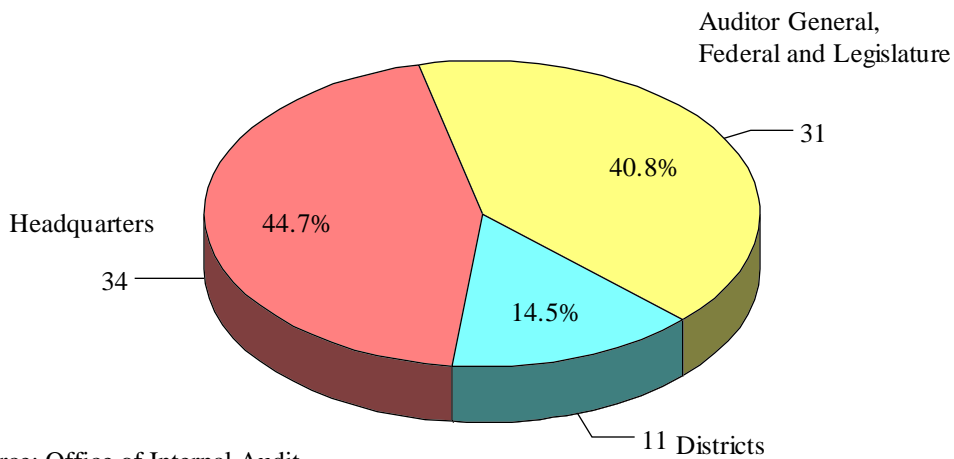
Internal Audit also conducted ad-hoc requests originating from headquarters, districts, Auditor General, legislature, and federal auditor inquiries. Figure C.2 shows the internal and external customers served through the ad-hoc request process.

The work done in response to ad-hoc requests provided broad range audit coverage to the department's programs. Distribution of requests by program is shown in Figure C.3.

Figure C.2

Ad-Hoc Customers Served

Total = 76

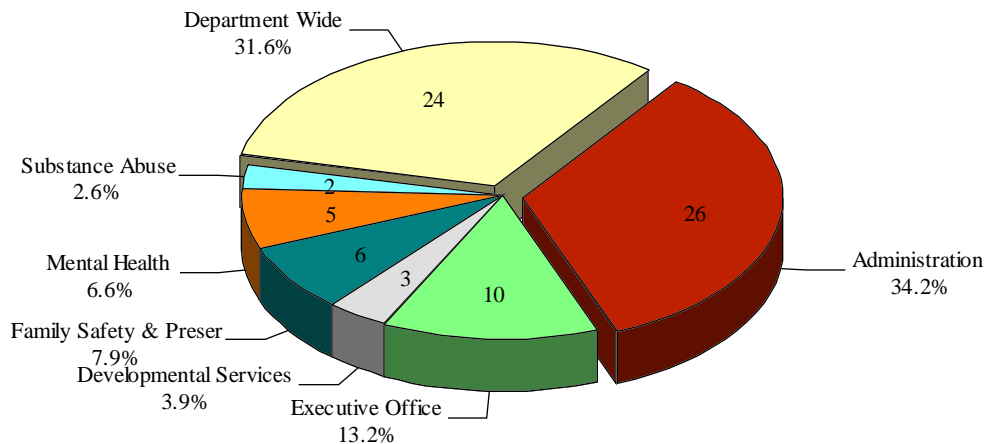


Source: Office of Internal Audit

Figure C.3

Ad-Hoc Requests by Program

Total = 76



Source: Office of Internal Audit

Performance Audit

The objective of the performance audit unit is to provide independent appraisals of management's performance and compliance with applicable laws, rules and regulations in meeting the mission of the department's programs, operations, functions and activities. Appraisals are furnished to assist management in carrying out duties and responsibilities in the most efficient, effective and productive manner.

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality of performance. To this end, internal auditors review the following: the reliability and integrity of financial and operating information, the systems established to ensure compliance with required guidelines, the means of safeguarding assets, and the economy and efficiency with which resources are employed.

The objective is accomplished by conducting financial related audits, compliance audits, performance audits, and other activities.

The performance audit unit is composed of four positions: one senior management analyst supervisor, one senior management analyst II, one audit evaluation and review analyst, and one senior management analyst I. The senior management analyst I devotes about 55 percent of his time to coordinating the department's responses to auditor general and other external auditor reports. The senior management analyst II devotes a considerable amount of time to performance measure review activities.

Performance Audit and Review Highlights:

Following are highlights of major projects that the performance audit staff participated in during FY 1998.

- **Audit of Temporary Service Employee Invoices In District 4**

The purpose of this audit, initiated at the request of senior management, was the review of 85 "held" temporary service companies' invoices that totaled \$57,624 for temporary employees used by the Duval County Public Health Unit during the period June through September 1996. The objectives of this audit pertained to evaluating internal controls for acquiring and paying for temporary services; interest penalty payments; payment errors; and the retention and approval of temporary employees' time sheets.

The audit disclosed that inadequate internal controls over the process for purchasing temporary services contributed to paying the invoices late. Management did not properly monitor the new procedure for purchasing temporary services. Purchase requisitions were prepared incorrectly and were improperly approved. The health unit accounted for \$4,943.84, or 94.6% in interest penalties for the review period; \$428.89 was due to the held invoices. As a result of five payment errors, the district overpaid the temporary service companies \$1,115.68. The health unit was unable to provide 30 time sheets required for the audit. One-third of the time sheets were approved by unauthorized personnel. Changes in the hours worked on time sheets and hourly rates on invoices were improperly approved. Incorrect voucher documentation was also identified. We made several recommendations to strengthen internal controls.

- **Department of Children and Families
Personnel Assessment**

This personnel assessment was conducted at the request of the secretary to identify baseline data to determine areas for improvement in the Department of Children and Families' practices for hiring, administering disciplinary actions, and handling complaints of employee misconduct. Data obtained showed inconsistencies in these three areas which may result in lack of compliance with the Florida Statutes, the union contracts, the "Career Service Reform Rules" contained in the Florida Administrative Code, and the department's internal operating procedures. Additionally, the data showed a lack of communication, standardization processes, and internal policies in district/central office human resources, and a need for training. The data reflected practices that were in effect in May 1997 as reported by personnel staff at 26 sites statewide: headquarters, the 15 districts, and the 10 institutions.

Inconsistencies in hiring practices were addressed in the revision of CFOP 60-02, Appointment Procedures, and the establishment of CFOP 60-08, Chapter 3, Employee Separations and Reference Checks. Inspector General guidelines were also distributed. The inspector general recommended that the department immediately implement additional training programs for all employees, to enhance the probability that these policies and procedures will be implemented according to their intent and purpose.

A workgroup of inspector general, human resources, and standards and evaluation staff was formed and charged with recommending procedures and mechanisms for accepting, tracking, investigating and resolving complaints, and assessing training needs. The workgroup recommended that the Management Council implement a team to carry out a quality improvement review process that would result in a standardized system in each district.

- **Performance Measures Review Activities**

In keeping with the requirement of §20.055(2), F.S., the Office of Internal Audit finalized development of a plan for assessing the reliability and validity of information provided to support performance based measures and standards. This assessment plan was shared with the Office of Program Policy Analysis and Government Accountability and the department's Office of Standards and Evaluation for information purposes. Although the plan was developed to initially assess the Alcohol, Drug Abuse, and Mental Health program, it can be adapted to other programs. The plan will be used as a foundation for reliability and validity assessments designed to ensure that performance data are maintained and supported by agency records, and that such data is valid and reliable.

The department's Office of Standards and Evaluation is responsible for assisting in establishing outcome measures and consulting with the Inspector General to ensure the integrity of the monitoring and evaluation process and the validity of data from service providers. The staffs work together to ensure integrity of the process.

- **Risk Assessment**

§20.055(5)(h), F.S. requires the inspector general to develop annual audit plans based on the findings of periodic risk assessments. *Standards for the Professional Practice of Internal Auditing* recommend that risk assessments be used to identify auditable activities and relevant risk factors and assess their relative significance.

During the latter part of FY 1998, we conducted the departmental risk assessment which was composed of four components including services, provider contracts, and district and state-wide information systems, to include 1166 auditable units identified from program and functional areas. Each auditable unit was evaluated

by district and headquarters staff based on a set of pre-determined risk factors. Units were ranked according to weighted factors agreed upon by senior level staff. Prioritized lists identified the highest ranked auditable units for each component as a tool for management and internal audit to address areas of significant concern and to schedule future audits.

- **Coordination with External Auditors**

The OIG is responsible for effective coordination and cooperation between the Office of the Auditor General, Office of Program Policy Analysis and Government Accountability, and federal auditors. This coordination was provided for 31 assignments that were external auditor related. These assignments require audit staff to track and monitor external auditor findings and recommendations until the successful completion of corrective action plans. Annually, audit staff also use this information to prepare a compilation of outstanding major audit findings and recommendations for inclusion in the legislative budget request.

- **Other activities**

Although unfinished at the close of FY 1998, audit staff spent considerable time and resources on two audits; Florida State Hospital Internal Control of Cash Handling, District 2; and Home and Community-Based Services Waiver Program Administered by the Developmental Services program office in District 4.

Contract Audit

The contract audit unit is responsible for conducting audits or reviews of central office and district provider contract services; and monitoring the department's contract providers' compliance with the Federal Single Audit Act and §216.349, F.S., in regards to state grants and aids appropri-

tions. It was composed of four positions: one audit administrator, two audit evaluation and review analysts, and one management review specialist. Due to the substantial volume of paperflow, all of the staff devoted at least part of their time to the single audit monitoring function. Other than the management review specialist, who spent most of the fiscal year on educational leave, the staff also participated in several significant contract audit or review activities.

Periodic department-wide risk assessments, or specific written requests from management are the primary means through which programs or specific contracts are identified for audit or review. During FY 1998, there were approximately 1,950 contracts in effect (not including rate or general service contracts), which awarded a total of approximately 1.1 billion dollars to providers and vendors.

Contract Audit and Review Highlights:

Following are highlights of major projects that the contract audit staff participated in during FY 1998.

- **Review of District 13 Developmental Services Contracts and Letters of Agreement (Inspector General report 98-01-M)**

A high-profile management review, which had the attention of state legislators and the media, was completed in District 13. The review was initiated based on allegations that the district had paid for Medicaid waiver developmental services which had not been rendered under the terms of their contracts and letters of agreements. Led by contract audit staff, it was conducted with the assistance of staff from the Office of Contract Administration, and the central Developmental Services program office.

The review found that District 13 had entered into agreements with providers which did

not comply with the state of Florida's Medicaid Home and Community Based Waiver, and/or did not comply with the provisions of Chapter 287, F.S., *Procurement of Personal Property and Services*, and HRS Manual 75-2, *Contract Management System for Contractual Services* with regards to competitive bid, contract document, and review and approval. As a result, all affected agreements were renegotiated or terminated, and the central Developmental Services program office has developed standard operating procedures and standard letters of agreement for the Medicaid waiver program. Moreover, as much as \$42,481.99 was identified as having been paid to a provider for services billed under incorrect Medicaid service codes. The issue of restitution of these funds will be handled by the Office of the Attorney General Medicaid Fraud Control Unit.

- **Performance Audit of Contracts with the Metropolitan Orlando Urban League (Office of the Comptroller report)**

Initiated and coordinated through the Office of the Comptroller, contract audit staff from the Department of Children and Families, and audit staff from the Department of Juvenile Justice jointly participated with the comptroller's staff on this audit. The primary objective of the contract audit staff was to determine whether the Urban League delivered services in the quantity and quality specified in contracts GH312, GH412 and GH512 with District 7 of the Department of Children and Families.

From a review of census records and client records, it was determined that under contract GH312 the Urban League had inappropriately billed residential clients' counseling sessions as outpatient services. As a result, the Department of Children and Families had overpaid the Urban League \$94,518 for outpatient counseling services. As the Urban League was unable to document

authorization for billing these services in such a manner, the monies were due back to the Department of Children and Families. The district's Legal Counsel has initiated procedures to pursue recoupment of the overpayment.

- **Review of Contract JH329 With Nova Southeastern University, Inc.**

Contract audit staff were selected to be part of a Contract Accountability Coordination team - a partnership between the Office of the Comptroller and the Department of Children and Families to conduct a thorough review of large-scale contracts. Working with audit staff from the comptroller's office and District 10 program staff, a review was conducted of contract JH329 which provided funding for Nova Southeastern University's community mental health center. The objective of the review was to determine if services were delivered and billed in accordance with the contract.

The review found numerous deficiencies in Nova's internal control structure for its billing process which resulted in significant differences between units of service billed versus units of service delivered. A sample of client records from eight different cost centers were reviewed to determine if service events were properly recorded on the service document and in the billing system. Using the criteria in the Department of Children and Families *Guide to Performance Contracting for Alcohol, Drug Abuse and Mental Health Services*, differences were found which resulted in the department having overpaid Nova in the amount of \$293,889.95. Investigation of Nova Southeastern University's billing practices is ongoing. Recoupment of the overpayment will be pursued by the department.

Single Audit Monitoring Highlights:

The Office of Internal Audit ensured that contract providers complied with audit requirements of the Federal Single Audit Act, and §216.349, F.S., regarding state grants and aids appropriations. The contract audit staff determined which contracts were subject to audit or attestation requirements and whether required audits or attestations were performed and copies received by the department. They reviewed independent CPA annual financial and compliance audit reports of contractual providers prepared pursuant to the Federal Single Audit Act as well as CPA audit reports and attestation statements prepared pursuant to §216.349, F.S. The staff reviewed the audit reports and attestation statements for compliance with federal and state audit requirements and professional standards; prepared corrective action plans for CPA firms in cases of noncompliance, and followed up to determine that corrective action was taken to ensure compliance. Additionally, the staff advised district managers for administrative services of questioned costs or liabilities due to the department and followed up to determine that these items were resolved. During FY 1998, the unit received 480 CPA reports or attestation statements and processed 294 reports or attestation statements. Using a sampling technique, 83 reports were selected for review and 71 required follow-up with the CPAs because they either did not meet standards or were rejected. Additionally, for 31 of the 83 reports reviewed, the staff notified district managers for administrative services of questioned costs, liabilities due the department, or internal control weaknesses of the provider as noted by the CPAs, which resulted in repayment of \$539,996 to the department.

The single audit monitoring process also involved contract audit staff keeping the department informed as to changes in provider audit requirements resulting from the June 24,

1997, revision of OMB Circular No. A-133. Staff advised and contributed suggestions to the Office of Contract Administration for updating the department's standard *Financial and Compliance Audit* contract attachment and associated audit matrix to bring them in compliance with the revised OMB Circular No. A-133.

As part of performing the single audit monitoring process, contract audit staff attended meetings with Auditor General staff, and staff of other state agencies to identify potential implementation issues related to the dual audit requirements of revised OMB Circular No. A-133 and §216.349, F.S. As a result of these meetings, the following materials evolved:

- A question and answer document about grants and aids appropriations; and preferred examples of a CPA's report, management assertion report, schedule of state financial assistance, and management attestation statement.
- A preferred example of standard audit language for use by state agencies in contracts with providers subject to federal and/or state audit requirements.

Reorganization Effort

In order to better maintain objectivity and independence, the Inspector General initiated efforts to transfer the Single Audit function to the Office of Administration. This will allow the function to expand its role operationally to benefit the department's management of contracts, which was its mission when it was originally established as the responsibility of the Assistant Secretary for Administration in 1984.

Information Systems Audit

The broad objectives of the Information Systems Audit section are two-fold; (1) to provide an independent appraisal of the department's

information systems security and operational controls, and (2) to act as the department's internal control agent to monitor information systems for compliance with statutes and administrative code. These objectives are accomplished through audits of statewide information systems and district information systems of organizational units responsible for information systems and controls, evaluations of information systems plans, and continual monitoring of the risks associated with the system development efforts.

The Information Systems Audit unit is administered by a computer audit supervisor, who reports to the director of auditing. Although the unit consisted of five positions during the year, the unit has experienced considerable turnover and vacant positions during FY 1998. During this fiscal year, the IS audit unit was staffed with, the computer audit supervisor eight (8) months, one computer audit analyst six (6) months, one computer audit analyst twelve (12) months, one internal auditor II three (3) months, and a senior management analyst I was vacant the entire year. Five positions filled for 12 months each would be sixty (60) months of service, whereas the unit operated with 29 months of service, or at less than 50 percent capacity or staff.

Following are highlights of the audits and special projects that the information systems audit staff participated in during FY 1998.

- **Compliance Audit of the Food and Nutrition Services of the Florida On-Line Recipient Integrated Data Access System Contractor Service.**

This compliance audit of the FLORIDA contractor service was initiated by a whistleblower's concern about the management of the United States Department of Agriculture(USDA)

Food and Consumer Services Reinvestment project expenditures. These issues raised particular questions about the strength of internal controls over the administration of FLORIDA contractors.

The audit scope was limited to contractors working on "reinvestment expenditures," later called "FLORIDA error reduction project." Staff focused on the tasks started under the Food and Consumer Services reinvestment project and reviewed key contract management controls of appropriate delegation of authority to accomplish the project goals; separation of duties to ensure independent checking and review of contract activity; accurate, useful, and timely financial and progress reports; written contract management policies and procedures; on-going training of contract management personnel in contract management and negotiations; and, periodic evaluation of the contract management function.

Overall, we concluded the department had sufficient controls in place to administer the Unisys FLORIDA contractors. The audit included a few recommendations to help the FLORIDA customers independently monitor the progress being made on the error reduction initiatives and suggested methods to incorporate evaluation controls. Our recommendations were: Status reports at the specific deliverable level be provided through the Work-In-Progress system; the number of hours and the estimated cost of services should be agreed upon by the FLORIDA customers prior to the delivery of services to aid in management decision making and planning; and each contractor's progress should be documented in narrative form on a monthly reporting basis and maintained in the contract file to meet the terms of the department's contract management manual. The documentation can be used by the FLORIDA customers to verify work progress.

• Compliance Audit of General Information Security of District 7 Information Systems

The Office of Internal Audit conducted a general compliance audit of information systems security in District 7. We focused on the following primary objectives:

- To evaluate district security policies and procedures;
- To evaluate the district's security awareness program;
- To evaluate the district's system access and revocation process;
- To evaluate the district's process for background screening of employees assigned access to sensitive information; and,
- To evaluate physical security.

The following findings and recommendations were noted:

- Physical security and environmental controls of information systems data and equipment at the Pine Hills Service Center was inadequate. We recommended that immediate action be taken to restore adequate physical and environmental controls for the information systems control room at the Pine Hills location.
- No source documentation was available to demonstrate that fingerprinting and background screenings had been conducted for 15 of 71 (21%) new employees. We recommended that management ensure that background checks are conducted on all new employees and that the process be verified via documentation in the employees' master personnel file.

- Employee user IDs were still active after termination of employment with the department. We recommended that the District Management Systems Director implement procedures to ensure timely revocation of all terminated employees and that district security officers periodically generate and review ad-hoc reports of User ID activity to determine and investigate inactive User IDs.
- District 7 had no formal information systems security awareness program for employees who were granted access to confidential databases. We recommended that a formal security awareness training program be developed for new personnel during the orientation process and during the preservice training period for Economic Self-Sufficiency staff.

Other Information Systems Audit Activities

In addition to audits, the information systems audit staff were involved in many other significant activities. Audit staff's presence at meetings and developmental work sessions provided proactive emphasis on the incorporation and adherence to strong internal controls.

Section 282.318(5) F.S., Initiatives:

As required by Section 282.318(5), F.S., audit staff plays an active role in reviewing internal controls relative to the safeguarding of data. In order to carry out this mandate, information systems auditors have been involved in the following activities.

- * Year 2000 task-force bi-weekly meetings: Audit staff attended meetings to identify security and control issues surrounding the Year 2000 conversions. Ensuring that all computerized applications will work after the turn of the century is the

top priority of information systems management. The Year 2000 problem can be defined as “the inability of computer programs to correctly interpret the century from a date which only has two year digits.” Thus, the task-force has to identify, plan for corrections, and then test the corrections for most of the department’s computerized applications. Audit staff have monitored and reported on the task-force’s activities to identify end-user developed applications that need to be Year 2000 compliant.

* Information Systems Management Team Meetings: The purpose of the team is to identify and define statewide strategic systems initiatives. The meetings are chaired by the Chief Information Officer and present a comprehensive overview of major technological initiatives. As a result of these meetings, the systems audit unit will proactively assess issues of potential audit concerns, such as: FTE resource allocation among projects like data warehousing, equipment replacement, disaster re-

covery, GIS/intranet/internet, State Automated Child Welfare Information System (SACWIS) and Year 2000 compliance. The meetings are held in Tallahassee approximately four times a year. The team is based in Tallahassee and meets either by phone or in-person.

* District Management Systems Directors meetings: These meeting are conducted via monthly conference calls with periodic in-person meetings in Tallahassee. Attendance at these meetings provided audit staff with a monthly overview of the issues and concerns of district information systems managers. Audit presence has been helpful in eliciting cooperation in conducting district level risk analysis and security/applications audits.

* SACWIS development process: Attended executive oversight committee meetings and system development process status meetings, reviewed Requests For Proposal, and vendor presentations.

Section D: Office of Appeal Hearings

The Office of Appeal Hearings has responsibility for conducting administrative hearings and making a determination of a final agency action for issues related to an individual's entitlement or receipt of benefits, disqualification from participation in a program or discharge/transfer from a licensed nursing facility.

Legal authorities are as follows:

- Section 409.285, F.S., Opportunity for Hearing and Appeal.
- Chapter 120, F.S., the Administrative Procedures Act. Section 120.80, F.S. Exceptions and special requirements: agencies.
- Section 400.0255, F.S., Resident hearings of facility decisions to transfer or discharge.

Administrative rules for fair hearing procedures appear in the Florida Administrative Code, §65-2.042, et seq., Applicant/Recipient Hearings.

Major controlling federal authorities are:

Temporary Assistance to Needy Families
Personal Responsibility and Work
Reconciliation Act of 1996

Medicaid
42 CFR 431.200 Fair Hearings for
Applicants and Recipients

Food Stamps
7 CFR 273.15 Fair Hearings
7 CFR 237.16 Disqualification for
Intentional Program violation

Federal regulations require that hearing officers be state level employees. The office has

17 full-time positions staffed with an administrator, two supervisors, eleven hearing officers and three support positions. For independence purposes, the office reports directly to the Inspector General.

In order to deliver services on a statewide basis in the most timely cost-effective method, hearing officers are positioned as follows: one each in Tallahassee, Gainesville, Orlando, Tampa, St. Petersburg, West Palm Beach and Ft. Lauderdale; and, two each in Jacksonville and Miami.

All administrative costs for hearings are funded at 50% federal administrative trust funds and 50% general revenue.

Fair Hearings

Prior to an action to terminate assistance, the department is required by the federally-funded assistance programs to offer a "fair" hearing consistent with the U.S. Supreme Court decision in Goldberg vs. Kelly, (1970). The Administrative Procedures Act, Chapter 120, F.S., sets forth the procedural requirement that must be met in resolving issues which affect the substantial interest of individuals. The Office of Appeal Hearings has been delegated the authority to complete final agency actions on a variety of issues arising out of most of the federally-funded programs. The office holds fair hearings for:

- Economic Self Sufficiency
- Temporary Assistance to Needy Families
 - Food Stamps
 - Medicaid Eligibility
 - Refugee Assistance Program

- Individual and Family Grant Program
- Institutional Care Program
- Optional State Supplementation

Medicaid Benefits

Others

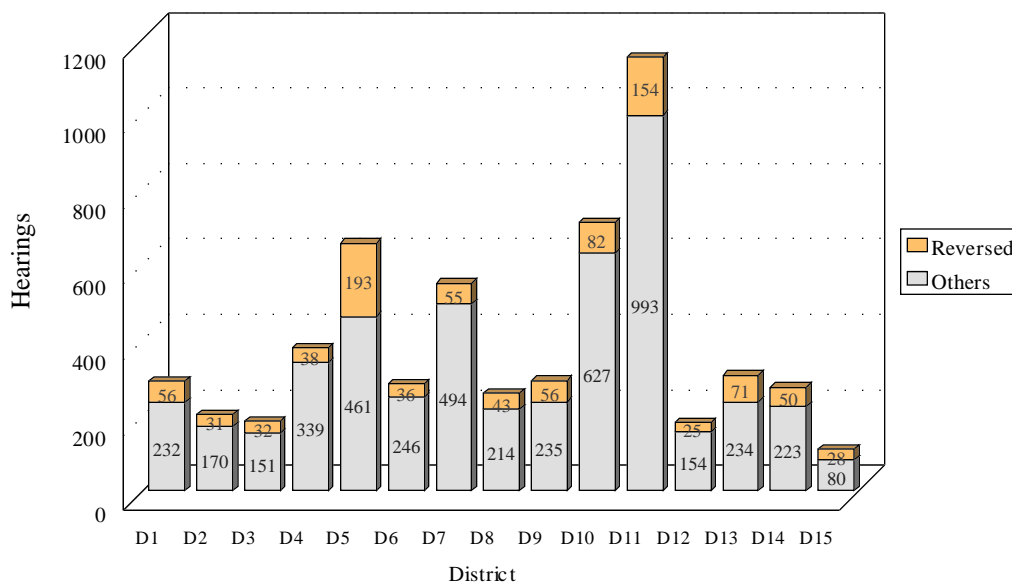
- Special Supplemental Food Program for Women, Infants and Children
- Certain Title XX Social Services Programs

- Certain Child Support Enforcement issues for the Department of Revenue

Figure D.1 shows the reversal rate for hearings completed by district. It should be noted that while District 5 has an unusually high reversal rate, the majority of those cases are related to delays by the Department of Labor’s Office of Disability Determination which does not come under the control of District 5.

Figure D.1

Fair Hearings Completed by District



Source: Office of Appeal Hearings

**Nursing Home Transfer/
Discharge Hearings**

The office also conducts hearings to determine whether or not a nursing facility’s decision to transfer or discharge a patient was correct. The facility may only discharge an individual based on conditions set forth in law.

These hearings often involve expert medical testimony on complex medical issues. The hearing officer has the authority to prohibit the discharge of the resident or require the facility to readmit the resident if he has already been discharged.

Administrative Disqualification Hearings

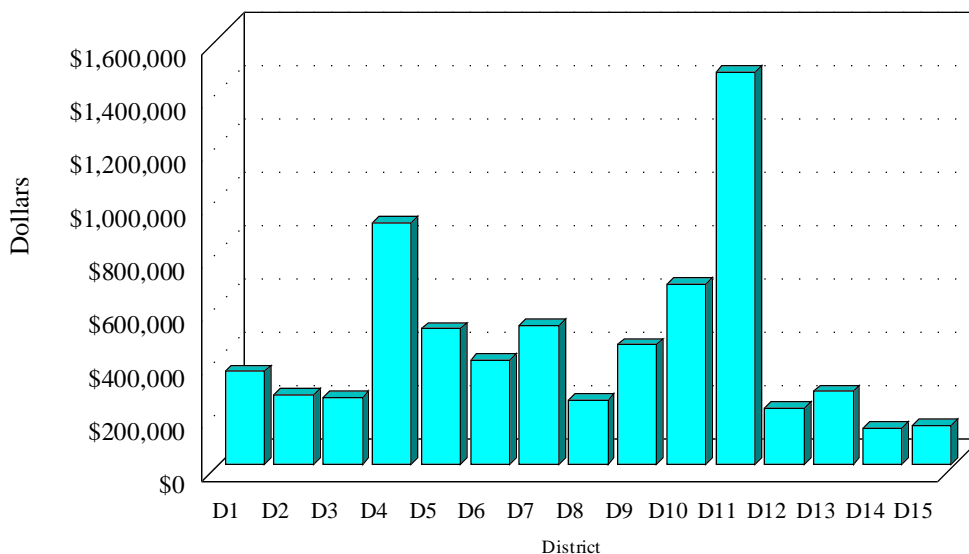
The department has the authority to disqualify an individual from receiving cash assistance and food stamp benefits when that individual has been found to have committed an intentional program violation. Intentional program violations are acts such as making false or misleading statements, mis-represented, concealed, or withheld facts. The disqualification is for six months for the first offense, one year for the second and a lifetime for the third offense.

In addition to disqualification hearing requests that result in hearings, the office tracks cases which an individual agrees to accept the disqualification penalty and waive their right to a hearing. The office processed 5,505 disqualifications for Temporary Assistance for Needy Families or Food Stamp benefits based on signed waivers in FY 1997.

Figure D.2 shows the amount of claim dollars established by the districts for intentional program violation hearings. Department pursues these claims to recover these funds.

Figure D.2

Dollars of Overpayment Associated with Disqualifications

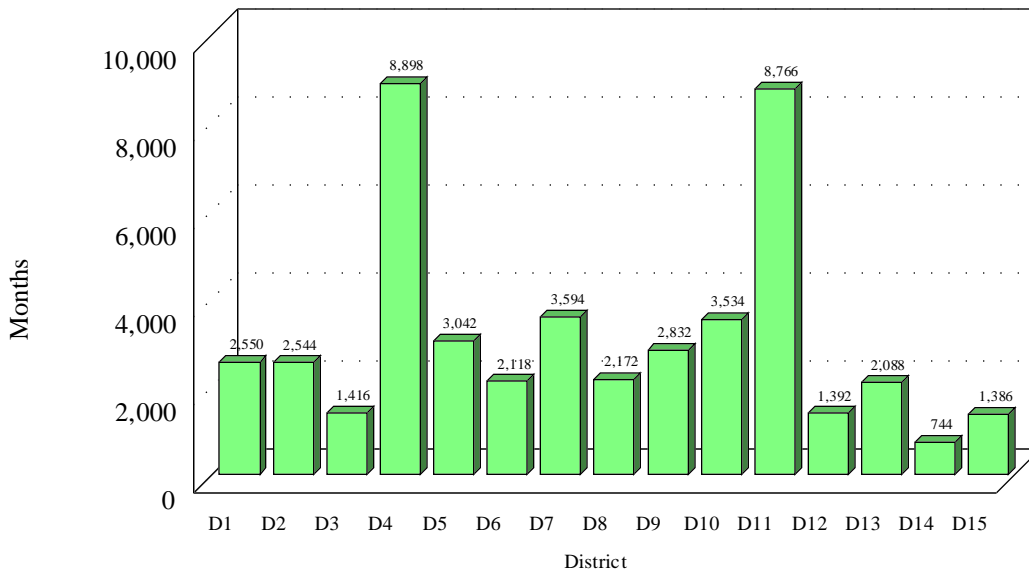


Source: Office of Appeal Hearings

Figure D.3 shows the number of months of program disqualification for cash assistance and the Food Stamp Program.

Figure D.3

Months of Program Disqualifications for Intentional Program Violations



Source: Office of Appeal Hearings



Section E: Office of Quality Control

The Office of Quality Control is responsible for conducting federally mandated reviews on statistically reliable samples of public assistance cases. Reviews provide state and federal administrators with information regarding erroneous payments in public assistance. In addition, findings are utilized to establish corrective action plans and to correct consistent problems in determining benefits. The federal agencies also use Quality Control statistics to determine the integrity of the public assistance programs.

State plans for the administration of the Food Stamp and Medicaid programs must provide a system for Quality Control in accordance with congressional statutes and federal regulations.

With the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the Aid to Families with Dependent Children (AFDC) was replaced by the Temporary Assistance to Needy Families (TANF). Although the phase out of AFDC to TANF was completed on July 1, 1997, Florida is continuing payment accuracy reviews of all programs.

Congressional statutes and federal regulations that provide for Quality Control are:

Food Stamp Title XIII, Public Law 95-113, 91 Statute 958, Food Stamp Act of 1977, 7 CFR Chapter II, 275.10, Subpart C - **Quality Control Reviews**

Medicaid Title XIX, Social Security Act, 42 CFR Chapter IV, 431.800 Subpart P - **Quality Control Reviews**

Administration of Quality Control

The office is headed by the Chief of Quality Control who reports directly to the Inspector General. It is composed of 62 positions located in seven offices throughout the state. Each unit is supervised by a Quality Control supervisor with a staff of four to seven analysts. Thirty-one staff members have 20 or more years of experience in state government. The seven offices are located in Panama City, Jacksonville, Orlando, Tampa, St. Petersburg and Miami (2). Headquarters staff are located in Tallahassee. Quality Control is funded at 50% federal and 50% general revenue for all administrative costs.

Programs Reviewed

Quality Control reviews the following program areas:

- Temporary Assistance to Needy Families (TANF)
- Food Stamps (FS)
- Medicaid (Eligibility and Claims)

During FY 1997, Quality Control conducted reviews on 1380 active food stamp cases, 1318 active TANF cases and 673 active Medicaid cases. Negative reviews (closures and denials) were completed on 816 food stamp cases, 621 TANF cases and 262 Medicaid cases.

The Review Process

The Quality Control review is an in-depth study which focuses on the accuracy of benefits being paid to a sample of public assistance cases. The majority of cases require a field visit and full-scale review of up to fifty elements of eligibility. Each element must be individually documented using acceptable standards of evidence. In addition to regulations, the federal agencies issue manuals of instruction and other written guidelines to ensure that all states operate Quality Control uniformly. A Report On Findings for each case reviewed is sent to the District Administrator and to the headquarters staff of Economic Self-Sufficiency.

Each review results in one of the following findings: (1) Correct (2) Underpayment (3) Overpayment (4) Totally Ineligible, or (5) Dropped from the sample. Medicaid reviews have the additional findings of (6) Liability Understated and (7) Liability Overstated.

The U.S. Department of Agriculture re-reviews one of three Quality Control selected food stamp cases to validate the quality control process. Differences in the re-reviews are used in a regression formula to determine the regressed error rate. The regressed error rate is used in determining sanctions imposed against the state.

Error Rates

The error rates reflect the percentage of public assistance money that is misspent by the state of Florida. For FFY 1997, the error rate for Food Stamps was 10.26%, and TANF was 7.51%.

Medicaid

Medicaid eligibility is determined by the Department of Children and Families, while the Medicaid program is administered by the Agency for Health Care Administration. Quality Control determines the Medicaid error rate and reports this information to the Agency for Health Care Administration. The error rate has been below the 3% national tolerance level for several years.

Error Rate Summary

Food Stamps

- Statewide Error Rate (Oct 1996 - Sep 1997): 10.26%
- Agency errors accounted for 38% of the error rate:
 - Failed to Act - 53.4%
 - Policy Incorrectly Applied - 41.2%
 - Arithmetic - 3.1%
 - Other - 2.3%
- Client errors accounted for 62% of the error rate:
 - Information Not Reported - 65.54%
 - Willful Misrepresentation - 25.7%
 - Information Incorrect - 8.8%
- Most error prone eligibility element:
 - Wages and Salaries 40.8%
- 279 error cases of 1170 cases completed

Error Rate Summary
TANF

- Statewide Error Rate (Oct 1996 - Sep 1997):
7.51%
- Agency errors accounted for 39% of the error rate:
 - Failed to Act - 61%
 - Policy Incorrectly Applied - 37.5%
 - Other - 1.5%
- Client errors accounted for 61% of the error rate:
 - Information Not Reported - 55.1%
 - Willful Misrepresentation - 33.3%
 - Information Incorrect - 11.6%
- Most error prone eligibility element:

Wages and Salaries - 45.3%
- 142 error cases of 1162 cases completed

Reports and Corrective Action Efforts

Quality Control produces a monthly statistical report which contains information that can help reduce erroneous payments. This 38 page report identifies areas of eligibility that contain errors, plus an analysis of what caused the errors. The report further breaks down district and agency caused errors versus client caused errors. It also presents trend information comparing the current year with last year. Numerous ad-hoc reports are provided as needed. An annual report is completed at the end of the federal fiscal year which provides additional in-depth district level information.

Quality Control staff participate on a state-wide Quality Service Committee which meets quarterly to share error rate information and error rate reduction ideas. Quality Control staff are also available to assist in providing training on topics such as interviewing skills and error reduction.

Section F: Statewide Human Rights Advocacy Committee

The organization was established under §§402.165, 402.166, and 402.167, F.S. The Statewide Human Rights Advocacy Committee and local Human Rights Advocacy Committees are established as independent third party mechanisms to monitor, investigate and advocate on behalf of consumers of services rendered by the Department of Children and Families.

The 350 members which serve on the committees are all volunteers and gubernatorial appointees. The committees are responsible for monitoring the Department of Children and Families programs, service providers and facilities. They are also responsible for investigating complaints received from consumers or citizens

regarding services or violations of constitutional and human rights.

The 13 SHRAC members contributed an estimated 10,640 hours of volunteer services for FY 97-98. These volunteers provided 5400 hours in SHRAC meetings, six meetings a year, and conference calls; 1160 hours of investigations; 680 hours of monitoring; and 1000 hours of rule reviews.

The statewide and local committees are administratively located in the Department of Children and Families, OIG for independence, as well as, for purposes of personnel, budget, purchasing, and other administrative functions.

APPENDIX 1

INVESTIGATIONS BY DISTRICT

FY 1998

DISTRICT 1

1. 97-0046 MISUSE OF STATE EQUIPMENT BY DISTRICT LEGAL COUNSEL AND FAILURE TO TAKE ACTION BY MANAGEMENT
2. 97-0058-P FAILURE TO MAKE SITE INSPECTION BY PUBLIC HEALTH UNIT EMPLOYEE AND COVER-UP BY SUPERVISOR

DISTRICT 2

3. 97-0072 THEFT AND FORGERY OF PUBLIC ASSISTANCE CHECK
4. 97-0090-P UNETHICAL PRACTICES AND CONFLICT OF INTEREST BY MEDICAID WAIVER PROVIDER
5. 98-0007 PERSONAL USE OF STATE CREDIT CARD
6. 97-0048 MISUSE OF STATE VEHICLE, EMPLOYEE MISCONDUCT AND CLIENT EXPLOITATION
7. 97-0085 FALSIFICATION OF RECORDS AND MISUSE OF STATE EQUIPMENT
8. 97-0062-P MISHANDLING OF CHILD ABUSE CASE
9. 97-0059-P MISUSE OF STATE PROPERTY AND UNDOCUMENTED LEAVE

DISTRICT 3

- 10. 98-0005-P EMPLOYEE COVERED-UP CLIENT FRAUDULENTLY RECEIVING BENEFITS
- 11. 98-0015-P MISMANAGEMENT OF ADULT PROTECTIVE INVESTIGATIONS UNIT
- 12. 97-0066-P FRAUDULENT VENDOR BILLING BY PROGRAM OPERATIONS MANAGER
- 13. 97-0039 UNAUTHORIZED DISCLOSURE OF CONFIDENTIAL INFORMATION

DISTRICT 4

- 14. 98-0020 MISUSE OF STATE TIME, STATE EQUIPMENT, LACK OF SUPERVISION
- 15. 98-0001-P BREACH OF CONFIDENTIALITY BY PUBLIC ASSISTANCE SPECIALIST
- 16. 98-0033 EMPLOYEE BLACKMAILING AND SOLICITING BRIBES FROM DAY CARE OPERATORS
- 17. 97-0088 MISUSE OF POSITION REGARDING CONTRACT
- 18. 97-0015 MISUSE OF POSITION, BREACH OF CONFIDENTIALITY BY DISTRICT LEGAL COUNSEL

DISTRICT 5

- 19. 97-0060 CONTRACT PROVIDER FRAUDULENTLY OBTAINED FUNDS FROM FEDERAL EMERGENCY SHELTER GRANTS
- 20. 96-0073 CONFLICT OF INTEREST BY CONTRACT PROVIDER
- 21. 96-0045-P MISCONDUCT BY MEDICAID BILLING COMPANY
- 22. 97-0036-P GROUP POSED AS DEPT. OF HUMANITIES FOR CHILDREN
- 23. 97-0021 MISUSE OF POSITION AND HARASSMENT OF CLIENT BY PUBLIC ASSISTANCE SUPERVISOR

- 24. 97-0037 MISUSE OF POSITION AND VIOLATION OF CLIENT CONFIDENTIALITY BY CHILD PROTECTION INVESTIGATOR
- 25. 97-0051 EMPLOYEE FALSELY CLAIMED CLIENT'S CHILD AS DEPENDENT ON INCOME TAX RETURN
- 26. 97-0068 BREACH OF CLIENT CONFIDENTIALITY
- 27. 97-0083-P MISCONDUCT BY COUNSELOR
- 28. 97-0086-P CLIENT ABUSE BY ADULT PROTECTIVE SERVICES INVESTIGATOR
- 29. 98-0002-P MISHANDLING OF ADULT ABUSE INVESTIGATION
- 30. 98-0012 MISCONDUCT BY INTERNAL AUDITOR

DISTRICT 6

- 31. 97-0054 BREACH OF CONFIDENTIAL INFORMATION OF AIDS CLIENT BY AFDC WORKER
- 32. 97-0056 EMPLOYEE MISCONDUCT
- 33. 97-0067 DISCLOSURE OF CONFIDENTIAL CLIENT INFORMATION BY PUBLIC ASSISTANCE SUPERVISOR
- 34. 97-0017 MISCONDUCT BY MANAGEMENT SYSTEMS STAFF
- 35. 97-0087 VIOLATION OF CLIENT CONFIDENTIALITY BY CHILD PROTECTION INVESTIGATOR

DISTRICT 7

- 36. 98-0029 EMPLOYEE WORKED AT RADIO STATION DURING WORK DAY
- 37. 96-0081 EMPLOYEE WRONGDOING IN CONTRACT BID PROCESS
- 38. 96-0088 MISUSE OF FUNDS, PROGRAM CHARGE CARD AND OTHER IMPROPRIETIES BY CONTRACT PROVIDER
- 39. 97-0003 MISUSE OF POSITION AND CLIENTS' GRANT MONEY

- 40. 97-0035 CHILD PROTECTION INVESTIGATOR TOOK MONEY AND REVEALED REPORTER'S INFORMATION
- 41. 97-0071-P FALSIFICATION OF RECORDS
- 42. 98-0017-P RELEASE OF ABUSE REPORTER'S NAME BY FAMILY SERVICES COUNSELOR
- 43. 97-0050 INAPPROPRIATE CLIENT CONTACT
- 44. 97-0044 MISCONDUCT (SOLICITATION OF MARIJUANA) BY EMPLOYEE
- 45. 97-0049 CHILD PROTECTION INVESTIGATOR REVEALED NAME OF REPORTER TO CLIENT
- 46. 97-0065 EMPLOYEE SOLD COMPUTER CONTAINING DEPT. OF HEALTH INFORMATION TO PRIVATE CITIZEN
- 47. 98-0022-P CLIENT HAD KNOWLEDGE AND INTENT TO ACCESS FLORIDA ABUSE HOTLINE INFORMATION SYSTEM
- 48. 98-0028 VIOLATION OF CONFIDENTIALITY BY CHILD PROTECTION INVESTIGATOR
- 49. 98-0030-P CLIENT SAW FAMILY SERVICES COUNSELOR SMOKING MARIJUANA WITH CLIENT'S FRIEND'S PARENTS
- 50. 96-0087 MISHANDLED CHILD ABUSE CASE
- 51. 96-0097 CHILD PROTECTION TEAM EXAM OF SEXUAL ABUSE VICTIM INADEQUATE; MISHANDLING OF ABUSE INVESTIGATION

DISTRICT 8

- 52. 97-0024 EXPLOITATION OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES BY CONTRACT PROVIDER
- 53. 97-0061 EMPLOYEE STEALING DRUGS FROM PHARMACY AND SUPPLYING DRUGS TO SECRETARY
- 54. 97-0069 PUBLIC ASSISTANCE SUPERVISOR FALSIFIED TIME RECORDS

- 55. 97-0075 EMPLOYEE FALSIFIED TIME SHEETS
- 56. 98-0025-P PSYCHOTHERAPIST MISUSED HIS POSITION AND FALSIFIED RECORDS
- 57. 98-0026-P PSYCHOLOGIST MISUSED HER POSITION AND VIOLATED RULES
- 58. 97-0080 BREACH OF CONFIDENTIALITY
- 59. 97-0012 FALSIFICATION OF RECORDS BY EMPLOYEES AND FALSE TESTIMONY BY EMPLOYEE DURING COURT HEARING AND DEPOSITION

DISTRICT 9

- 60. 98-0008-P VIOLATION OF CONFIDENTIALITY BY ADULT PROTECTIVE INVESTIGATOR
- 61. 96-0079 WORKER FRAUD AND CLIENT FRAUD
- 62. 97-0045 BREACH OF CONFIDENTIALITY AND UNSUPERVISED VISITS
- 63. 97-0074-P EMPLOYEE FAILED TO REPORT PUBLIC ASSISTANCE FRAUD
- 64. 97-0078-P RELEASE OF CONFIDENTIAL INFORMATION AND MISUSE OF STATE CREDIT CARD
- 65. 96-0107 INCONSISTENCIES IN D9 INVESTIGATIVE REPORT RELATING TO MISUSE OF PROPERTY AND FAVORITISM COMPARED TO REPORT TO IG BY FORMER D9 ADMINISTRATOR
- 66. 97-0040 MISUSE OF STATE COMPUTER EQUIPMENT AND MISUSE OF POSITION
- 67. 97-0032 PROTECTIVE INVESTIGATOR FAILED TO CONDUCT THOROUGH INVESTIGATION AND EMPLOYEE DENIED PUBLIC HEARING

DISTRICT 10

- 68. 97-0041-P CASH SHORTAGES IN EXCESS OF \$200 EACH
- 69. 97-0091 THEFT/LOSS OF FOOD STAMPS AND SECURITY VIOLATIONS
- 70. 97-0070 MISUSE OF STATE EQUIPMENT AND TIME
- 71. 98-0024-P MISMANAGEMENT OF INVESTIGATION BY FAMILY SERVICES STAFF
- 72. 98-0009-P EMPLOYEE SIGNED COMPUTER SOFTWARE LEASE WITHOUT LEGAL REVIEW, DELEGATED AUTHORITY AND SIGNED FOR UNSHIPED EQUIPMENT
- 73. 95-0028 EMPLOYEE PARTICIPATION IN CREDIT CARD FRAUD
- 74. 98-0004 MISUSE OF DEPARTMENT LETTERHEAD
- 75. 97-0077 FALSIFICATION OF INFORMATION IN PROTECTIVE SERVICES INVESTIGATION

DISTRICT 11

- 76. 96-0098 MISUSE OF STATE EQUIPMENT AND TIME
- 77. 96-0108 IMPROPER DESTRUCTION OF RECORDS
- 78. 97-0010 EMPLOYEES DID NOT FOLLOW PROCEDURES ON ABUSE REPORT AND DID NOT COMMUNICATE WITH LAW ENFORCEMENT AS REQUIRED
- 79. 97-0020 EMPLOYEE RECEIVED GIFT, MONEY OR GIFT CERTIFICATE FROM VENDOR
- 80. 97-0073 DEVELOPMENTAL SERVICES PROVIDER PAID FOR SERVICES NOT PROVIDED
- 81. 95-0032 EMPLOYEES PROCESSING FRAUDULENTLY PRODUCED MEDICAID PAYMENTS
- 82. 97-0030 PUBLIC ASSISTANCE SUPERVISOR SOLICITED SEX FROM FOOD STAMP CLIENTS AND FALSIFIED RECORDS

83. 97-0042 FALSIFICATION OF TIME AND ATTENDANCE; MISUSE OF STATE EQUIPMENT; EMPLOYEE APPROVED BENEFITS FOR FAMILY MEMBER; PURCHASED STOLEN PROPERTY; EMPLOYEES THREATENED
84. 96-0091 UNAUTHORIZED DISCLOSURE OF INFORMATION; REVEALING PRIVILEGED INFORMATION; MISUSE OF POSITION
85. 97-0055 MISMANAGEMENT OF RESIDENTS' FUNDS; FALSIFICATION OF TIME; EMPLOYEES UNDER INFLUENCE OF ALCOHOL; SUPERVISOR CONDUCTS PERSONAL BUSINESS ON STATE TIME
86. 97-0033 MISUSE OF FUNDS
87. 97-0082 EMPLOYEE ASSISTED IN CHEATING ON PRE-SERVICE EXAM; DISCLOSED CONFIDENTIAL INFORMATION; MISUSED POSITION; ALTERED CASE FILES; ACCEPTED FALSE TIME SHEETS; USED ABUSIVE LANGUAGE TOWARD CLIENT
88. 97-0084-P MISUSE OF STATE COMPUTER EQUIPMENT
89. 98-0021 BRIBERY OF EMPLOYEES TO APPROVE FOSTER HOME LICENSES

DISTRICT 12

90. 97-0018 MISUSE OF STATE EQUIPMENT, TIME AND EMPLOYEES
91. 97-0053-P PUBLIC ASSISTANCE SPECIALIST APPROVED CASE FOR HER MOTHER AND EMPLOYEE'S SISTER FRAUDULENTLY NOT REPORTING INCOME
92. 98-0016-P IMPROPRIETIES IN PROCUREMENT PROCESS IN PRIVATIZING WAGES ACTIVITIES

DISTRICT 13

NONE

DISTRICT 14

93. 97-0057-P BREACH OF CONFIDENTIALITY
94. 97-0026-P MISHANDLING OF CHILD ABUSE INVESTIGATION
BY CHILD PROTECTIVE INVESTIGATOR
95. 97-0031 PROGRAM MANAGER FALSIFIED TIME SHEETS AND
TRAVEL VOUCHERS; SUPERVISOR OVERLOOKED
ACTIVITIES
96. 97-0038 BREACH OF CONFIDENTIALITY; FALSIFICATION OF
LEAVE AND HARASSMENT BY EMPLOYEE
97. 97-0089 PROGRAM ADMINISTRATOR INAPPROPRIATELY USED
FUNDS TO PAY PERSONAL DEBTS OF EMPLOYEE;
ALLOWED DISRUPTION IN OFFICE AND PUBLIC
ASSISTANCE FRAUD
98. 98-0010 BREACH OF CONFIDENTIALITY
99. 98-0023 FAILURE TO NOTIFY LAW ENFORCEMENT OF
INSTITUTIONAL CHILD ABUSE
100. 97-0052 COUNSELOR FAILED TO SUPERVISE VISIT WHERE
CLIENT WAS SEXUALLY ABUSED; FALSIFICATION OF
RECORDS AND GIVING FALSE INFORMATION;
MISHANDLING OF SEXUAL ABUSE INVESTIGATION;
BREACH OF CONFIDENTIALITY
101. 98-0006-P STAFF MISHANDLED CHILD PROTECTIVE SERVICES
CASE
102. 98-0011 DOCUMENTATION FOR FOSTER CARE FLEX FUNDS DID
NOT MEET CRITERIA

DISTRICT 15

103. 97-0025 EMPLOYEE FALSIFIED DOCUMENTS TO CREATE
FICTITIOUS CHILD

DISTRICT 20

104. 97-0047 PERSONNEL POLICIES NOT FOLLOWED DURING SELECTION AND HIRING OF TWO PROGRAM ADMINISTRATOR POSITIONS
105. 97-0006 FORMER EMPLOYEE ALTERED AND CASHED FINANCIAL INSTRUMENTS PAYABLE TO DEPARTMENT
106. 97-0027 ABUSE REGISTRY SUPERVISOR FALSIFIED HER EMPLOYMENT APPLICATION
107. 97-0063 FRAUDULENT TIMESHEETS
108. 97-0081 MISUSE OF STATE COMPUTER EQUIPMENT FOR PERSONAL BUSINESS AND FALSIFICATION OF EMPLOYMENT APPLICATION
109. 98-0014 OPS EMPLOYEE FALSIFIED EMPLOYMENT APPLICATION FOR CAREER SERVICE POSITION
110. 97-0064-P WHISTLE-BLOWER COMPLAINT OF MISMANAGEMENT PRACTICES
111. 97-0079 UNAUTHORIZED ACCESS TO CONFIDENTIAL INFORMATION
112. 97-0076-P REVIEW OF 5 CHILD DEATHS
113. 98-0018 BREACH OF CONFIDENTIALITY