



Florida Department of State

Office of Inspector General
2022-23 ANNUAL REPORT

September 13, 2023

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

Cord Byrd, Secretary of State
Florida Department of State
500 South Bronough Street
Tallahassee, FL 32399

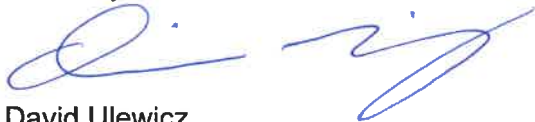
Dear Chief Inspector General Miguel and Secretary Byrd:

I am pleased to present the Office of Inspector General's Annual Report for the 2022-23 Fiscal Year. This report, which was prepared in accordance with Section 20.055(8), Florida Statutes, summarizes the activities performed by the Office of Inspector General based on its statutory responsibilities. This report highlights the accomplishments, findings, and recommendations of significant audit and investigative activities completed during the 2022-23 Fiscal Year.

On behalf of the Office of Inspector General staff, I would like to thank you for your continued support, as well as all Department Managers and staff for their assistance and cooperation.

The Office of Inspector General remains committed to promoting efficiency, accountability, and integrity in our efforts to detect fraud, waste, abuse, and mismanagement in Department programs.

Sincerely,



David Ulewicz
Inspector General

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BACKGROUND

The role of the Office of Inspector General (OIG) is to provide a central point for coordination of, and responsibility for, activities that promote accountability, integrity, and efficiency within the Department of State (Department). Section 20.055, Florida Statutes (F.S.), requires the Inspector General to submit an annual report summarizing its activities during the preceding fiscal year to the Secretary of State and the Chief Inspector General. This report includes the activities and accomplishments of the OIG during the 2022-23 Fiscal Year (FY) and specifically details the activities and reports of the audit and investigative teams that make up the OIG.

OIG RESPONSIBILITIES

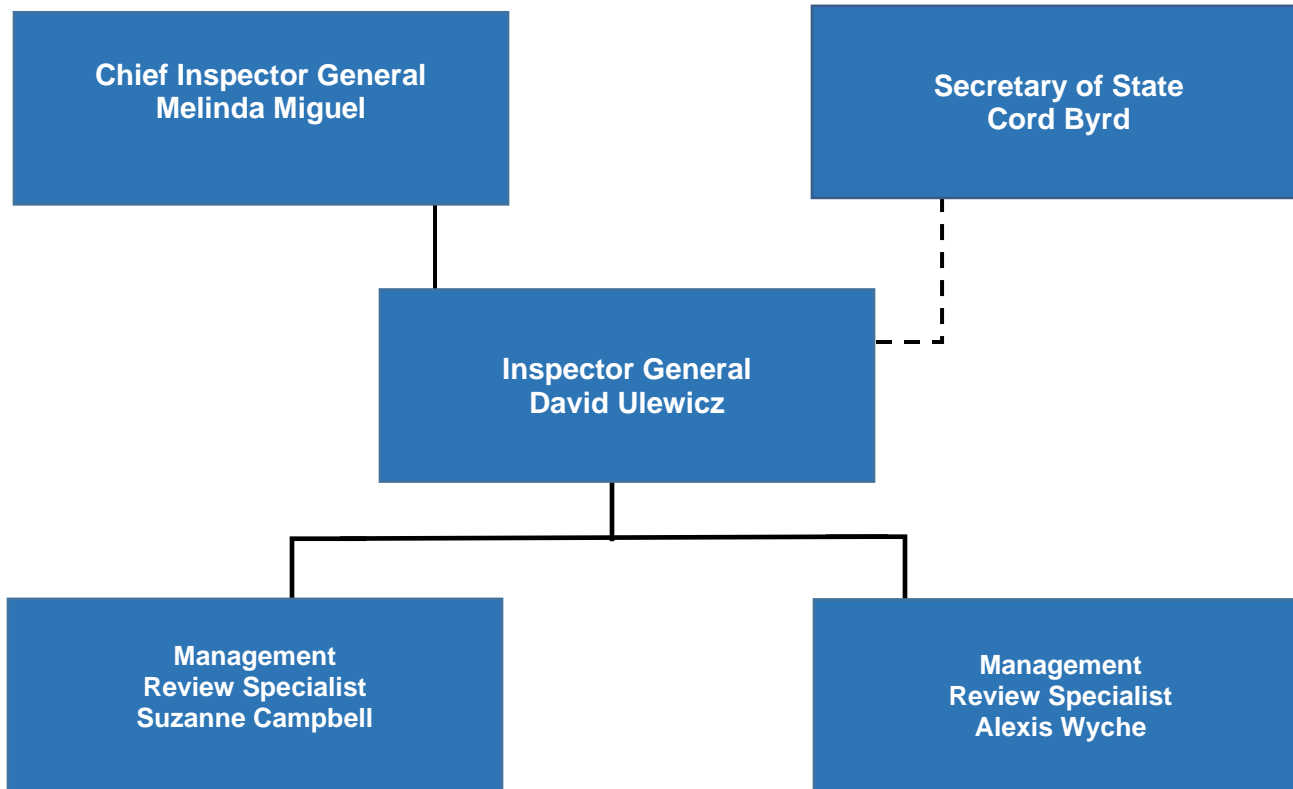
The specific duties and responsibilities of the OIG as defined in Section 20.055(2) include:

- Conduct audits, investigations, and management reviews relating to program areas in the Department.

- Advise in the development of performance measures, standards, and procedures to improve program performance.
- Keep the Secretary of State and Chief Inspector General informed concerning fraud, waste, abuse, and deficiencies in programs and operations, recommend corrective action, and provide progress reports.
- Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other government bodies.
- Review the actions taken by the Department to improve program performance and make recommendations for improvement.
- Conduct, supervise, and coordinate other activities to promote economy and efficiency and activities designed to prevent and detect fraud and abuse in the Department.

ORGANIZATION

The Inspector General reports to the Chief Inspector General and is under the general supervision of the Secretary of State, as prescribed by statute, and has unrestricted access to all Department activities and records. As of June 30, 2023, the OIG consisted of the following:



INTERNAL AUDIT

Internal Audit provides management with independent and objective assurance reviews and consultation regarding risk management, control, and governance processes. Audit work is performed in accordance with International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors and General Principles and Standards for Offices of Inspector General published by the Association of Inspectors General.

Audit projects performed during the FY were based on the results of a risk assessment. An annual risk assessment is conducted by the Internal Audit Section and aids in developing the OIG Annual Work Plan. The Work Plan was based on the results of the risk assessment, prior OIG audit and investigative findings, external audits, and requests from management.

EXTERNAL AUDIT COORDINATION

Internal Audit serves as a liaison to external agencies that audit the Department and monitors and tracks findings and recommendations that result from these external audits as well as monitors and tracks management efforts to correct audit findings. During the FY, the OIG coordinated a Florida Auditor General audit and a federal OIG audit.

QUALITY ASSURANCE REVIEW

Section 11.45(2)(i), F.S., requires that the Auditor General, once every three years, review a sample of internal audit reports to determine compliance by the OIG with the current International Standards for the Professional Practice of Internal Auditing or, if appropriate, Government Auditing Standards.

The Auditor General completed their review of the OIG in October 2022 and reported the quality assurance and improvement program related to the office's internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance with applicable professional auditing standards and the Code of Ethics issued by The Institute of Internal Auditors.

INTERNAL AUDIT PROJECTS

The following summaries describe the audit engagements performed by the Internal Audit Section during the FY.

Data Exchange Information Security Controls

Audit Report No. A-2022-DOS-005

The purpose of the audit was to evaluate internal controls implemented to safeguard confidential data received from the Florida Department of Highway Safety and Motor Vehicles in accordance with the Data Exchange Memorandum of Understanding, HSMV-0701-21.

The audit disclosed that information security controls were generally adequate to protect confidential data from

unauthorized access, distribution, use, modification, and disclosure, however improvements could be made. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising Department data and related IT resources. However, we have notified appropriate Department management of the specific issues. The audit recommended improving information security controls related to these areas.

Audit of Physical Security

Audit Report No. A-2023-DOS-004

The purpose of the audit was to evaluate the efficiency and effectiveness of physical security at Department facilities and to determine compliance with applicable laws and Department policy and procedure.

The audit examined specific security controls at a sample of Department facilities, the facility access card system, and the process for access card issuance, monitoring, and deactivation. Due to the nature of the audit findings and recommendations, the results of the audit are confidential and exempt from the provisions of Section 119.07(1), F.S. However, we have notified appropriate Department management of the specific issues. The audit recommended improving physical security controls related to these areas.

STATUS OF PRIOR RECOMMENDATIONS

Section 20.055(8)(c)(4), F.S., requires the identification of each significant recommendation described in previous annual reports on which corrective action has not yet been completed. As of June 30, 2023, there was one report described in previous

OIG annual reports that had significant outstanding audit recommendations requiring corrective actions which had not been completed.

Audit of Cybersecurity Continuous Monitoring

Audit Report No. A-2022-DOS-003

Due to the nature of this audit, the outstanding recommendations are confidential and exempt from public disclosure pursuant to Section 282.318(4)(g), F.S. The audit recommended improving information security controls related to these areas.

PERFORMANCE MEASURES

In accordance with Section 20.055(2)(b), F.S., the OIG has assessed performance measures for inclusion in the Department's 2023-24 FY Long-Range Program Plan (LRPP). The Department's prior LRPP for the 2022-23 FY included 11 performance measures.

The 2022-23 FY LRPP included two measures for the Division of Elections which were different from the 2021-22 FY LRPP. Therefore, the measures for the Division of Elections were not included in our prior year assessment and were included in our current assessment. Our review of the three measures for the Division of Elections determined the measures were valid and reliable in relation to their intended use except as noted below.

Our review of measure three, percentage of potential ineligible voter registration match records and case files reviewed and sent to counties within five days, determined the actual numbers

for the 2021-22 FY included in the LRPP were not based on the actual numbers. Although, the percentage of potential ineligible voters was reported as 95 percent, the actual percentage was 98 percent.

In our effort to review the Department's measures, we noted errors in one of the exhibits for the 2023-24 FY LRPP. On Exhibit V, the Division of Elections measures number one and three, did not match the measures listed on Exhibits II, III, and IV. Based on discussions with the Legislative Affairs staff, revisions will be made to future LRPP's to ensure consistency between exhibits.

Due to delays in receiving data supporting the Division of Elections performance measures, our review did not occur until after the LRPP was submitted.

FEDERAL AND STATE SINGLE AUDIT ACT RESPONSIBILITIES

The Department provides funding and resources from State and Federal funding sources to Florida Counties, Cities, Towns, Districts, and many other non-profit organizations within the State. Because of the Department's relationship with these entities, the OIG provided technical assistance to support and improve the operations of those entities. Section 215.97, F.S., requires, each non-State entity that expends a total amount of State financial assistance equal to or in excess of \$750,000 in any fiscal year, of such non-State entity shall be required to have a State single audit, or a project-specific audit, for such fiscal year in accordance with the requirements of this Section.

The Catalog of State Financial Assistance includes for each listed State project the responsible State agency, standard State project number identifier, official title, legal authorization, and description of the State project, including objectives, restrictions, application, and awarding procedures, and other relevant information determined necessary. Federal pass-through grants administered by the Department are subject to Office of Management and Budget 2 CFR 200 Uniform Guidance requirements, provided the entity has expended \$750,000 in Federal financial assistance in its FY.

Each year, the OIG reviews audit reports submitted by entities that meet the requirements listed in F. S., as well as the audit requirements listed in the 2 CFR 200 Uniform Guidance. During the 2022-23 FY, our office received and reviewed 854 single audit reports and certifications.

INTERNAL INVESTIGATIONS

The Investigations Unit is responsible for receiving complaints and coordinating activities of the Department in accordance with the Whistle-blower's Act pursuant to Section 112.3187, and 112.31895, F.S. Additionally, the Unit receives and considers complaints that do not meet the criteria for an investigation under the Whistle-blower's Act and conducts, supervises, or coordinates such inquiries, investigations, or reviews as deemed necessary. Investigations and inquiries are conducted in accordance with the Association of Inspectors General Quality Standards for Investigations. Once an investigation report is completed, case disposition is reported to the appropriate management.

REACCREDITATION

Established in 1995, the Commission for Florida Law Enforcement Accreditation, Inc. (CFA) is a council of law enforcement and criminal justice professionals that establish standards for staffing, training, conducting, and documenting the investigative function. In 2008, the CFA introduced an accreditation profession for offices of inspectors general, and in 2018 the OIG went through an initial accreditation assessment. In July 2021, the Investigations Unit went through its first reaccreditation assessment with the CFA. The assessment

resulted in the Investigations Unit receiving a recommendation for reaccreditation with conditions and those conditions were removed by the CFA in December 2022 after a revisit assessment.

INVESTIGATIVE REPORT ACTIVITIES

Complaints are received through many sources by the OIG and are reviewed to determine an appropriate course of action. During the 2022-23 FY, the OIG closed 3 administrative investigations. All 3 Investigations were within the Division of Elections. Additionally, 685 complaint inquiries were performed to assess allegations, of which 15 reviewed by the OIG and no investigation was deemed necessary, 9 were referred to the appropriate functional area for handling, and 661 were non-jurisdictional.

CASE SUMMARIES

II-01-08-2022-322: A Department investigation determined the allegation of discrimination was not sustained.

II-01-08-2022-697: A Department investigation determined the allegation of discrimination was unfounded.

II-01-08-2022-698: A Department investigation determined the allegation of discrimination was not sustained.



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