

DEPARTMENT OF CHILDREN AND FAMILIES
OFFICE OF INSPECTOR GENERAL



Internal Audit Work Plan
Fiscal Year 2019-2020



July 1, 2019

INTRODUCTION

The Office of Inspector General (OIG) was established, within each state agency, by Florida Statute¹ in 1994. The OIG provides a central point for coordination and responsibility for activities that promote accountability, integrity, and efficiency in government. Section 20.055(6)(i), Florida Statutes (F.S.), directs the inspector general to develop annual and long-term audit plans based on the findings of periodic risk assessments.²

The risk assessment process facilitates the identification and relative priority of audit projects to be conducted during the upcoming year. Internal Audit projects conducted by the OIG are conducted in accordance with *International Standards for the Professional Practice of Internal Auditing* (Standards), as promulgated by the Institute of Internal Auditors, Inc.

METHODOLOGY

Internal Audit employs a continuous risk assessment model to reflect the ever-changing Department environment to ensure the assignment and completion of high-risk projects. Project priority may be modified as Department conditions and associated risks change.

To develop our proposed work plan, we solicited input from Department leadership and management to gauge risk through the eyes of those closely involved in operations. We interviewed senior management and program managers and evaluated data related to findings in recent Auditor General Reports and our prior year work plan.³

Information obtained was further analyzed and evaluated using several risk factors, including impact on citizens and stakeholders, management priority, operational stability, public disclosure, resources, and prior audits. As potential audit topics were examined, the impact of each of the risk factors was assessed. The calculation for each factor was aggregated resulting in an overall risk score. Those topics with the highest scores were deemed priority and are included in the current year's plan. Finally, Standards⁴ require sufficient resources to achieve the approved plan. The proposed work plan is based on 6,800⁵ direct audit hours.

¹ Section 20.055(2), Florida Statutes (F.S.)

² A risk assessment is a quantification and compilation of factors that might influence the operational success of a component or activity within an organization.

³ The plans of external auditors are often not available. As these plans become known, they may influence our work schedule.

⁴ According to Resource Management Performance Standard 2030, the chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan. *International Standards for the Professional Practice of Internal Auditing*, Revised October 2016.

⁵ 1,400 direct hours = 2,080 hours per full time equivalent position minus leave, holidays, training, and administrative time. Hours may fluctuate depending on available staff. Internal Audit has five authorized, internal audit positions. One of the five positions is allocated 700 hours for liaison activities related to external audits. Two Single Audit positions are allocated 250 direct audit hours each.

ANNUAL WORK PLAN

Based on the results of our risk assessment, the following table depicts our projected annual work plan for fiscal year (FY) 2019-2020. This plan incorporates management's current priorities as identified during the risk assessment process. A brief description of topics follows.⁶ Additionally, our long-term work plan is included in the Appendix.

ANNUAL WORK PLAN BASED UPON 6,800 AVAILABLE AUDIT HOURS						
#	Risk Item	Project Title	Risk Score	Hours Estimate	Office	Program or Unit
1	N/A	Carryover Projects	N/A	1,800	Various	Various
2	N/A	Post-Audit Sampling of Department Payments Purchasing Card Transactions	N/A	400	Administration	General Services
3	N/A	Performance Measures - Child Care Regulation	N/A	400	Child Welfare	Child Care Regulation
4	DCF-214	Foster Parent Recruitment	17.60	600	Child Welfare	Child Welfare
5	DCF-248	Inappropriate Access to Case Files	17.60	400	Economic Self-Sufficiency	ACCESS
6	DCF-277	Center for Information (CIS) Critical Security Control #3 Continuous Vulnerability Management	17.60	400	Administration	Information Technology Services
7	DCF-283	Information Technology Systems and Hardware Video Recording Equipment	16.60	400	Substance Abuse and Mental Health	Mental Health Treatment Facilities
8	DCF-203	Community Based Care Safety Management Initiative	15.80	600	Child Welfare	Child Welfare
9	DCF-286	Inappropriate Data Access FSFN Access by Former Staff	15.60	600	Child Welfare	Child Welfare
10	DCF-243	Investigative Referrals to the Division of Public Assistance Fraud	15.60	400	Economic Self-Sufficiency	Public Benefit Integrity
11	DCF-246	Organizational Ethics	15.40	400	Administration	Human Resources
12	DCF-189	Florida On-line Recipient Integrated Data Access (FLORIDA) System Identification Verification and Fraud Concerns	15.20	400	Economic Self-Sufficiency	ACCESS
Total				6,800		

⁶ Project scope and audit objectives for each proposed project will be finalized during the preliminary survey phase of each project, where an expanded control assessment will be conducted. This expanded control assessment will determine the highest risk areas within the proposed topic that might affect the Department's mission.

CURRENT YEAR PLAN

1) Carryover Projects

The following projects were in progress at the end of FY 2018-2019.

Contractor Related Parties in Child Welfare

The objective of this project is to determine the roles and functions of contractor related parties; how these organizations are funded, structured, and registered with the Department of State; and to identify any governance issues that these organizations may create.

Child Protective Investigator Turnover

The objective of this project is to determine root causes contributing to high child protective investigator (CPI) turnover rates; and ways to improve CPI retention.

Contract and Grant Monitoring Processes

The objective of this project is to determine whether contract and grant monitoring procedures and practices are adequate, effective, and non-duplicative.

Inter-Regional Pay Equity

The objective of this project is to identify whether significant compensation differences exist between regions and, where significant differences are identified, whether original appointments and/or salary changes were properly authorized.

Community-Based Care Lead Agency and Managing Entity Website Information Disclosure Compliance

The objective of this project is to determine lead agency and management entity compliance with statutes that require these entities to post specified information (i.e., salaries, bonuses, other compensation, etc.) on their publicly accessible websites.

Direct Service Limitation Compliance by Community-Based Care (CBC) Lead Agencies

The objective of this project is to determine lead agency compliance with the statutory limit of 35% direct care services; and to examine organizational structures and the level of services these organizations provide.

Caseload Impact upon Records Falsification Incidents in Child Welfare

As a follow-up to the FY 2017-2018 audit of *Child Welfare Records Falsification*, this project will determine what, if any, impact child protective investigator (CPI) caseloads had on records falsifications.

Big Bend Community Based Care (BBCBC) Property Transactions

The objective of this project is to review issues surrounding the BBCBC property transaction noted in Finding 21, Property Transactions, of Auditor General Report Number 2019-111, dated January 2019.

Florida Coalition Against Domestic Violence (FCADV)

The objective of this project is to determine the amount of Department funding expended by FCADV on administrative costs and executive compensation; and to determine whether funding expended on executive compensation agreed with information provided to the Department.

2) Post-Audit Sampling of Department Payments – Purchasing Card Transactions

Pursuant to § 20.055(6)(i), F.S., the audit plan should include post-audit samplings of payments and accounts. To comply with this requirement, we will perform audits examining Department expenditures resulting from purchasing card transactions. Objectives of this audit will include:

- Evaluating internal controls over accounts payable processes;
- Verifying that payments were properly authorized, accurately accounted for, and properly supported;
- Examining expenditures for duplicate payments; and
- Evaluating compliance with laws, statutes, policies, and procedures.

3) Performance Measures – Child Care Regulation

Section 20.055(2)(b), F.S., directs the inspector general to “assess the reliability and validity of the information provided by the state agency on performance measures and standards, and make recommendations for improvement, if necessary.” To comply with this requirement, we will examine the reliability and validity of reported performance measurement data for the Child Care Regulation Program whose purpose is to ensure a healthy and safe environment for children in child care settings and to improve the quality of their care through regulation and consultation.

4) Foster Parent Recruitment

Foster parent recruitment continues to be a challenge for community-based care lead agencies, particularly in cases involving teens, and disabled and medically needy children. Efforts and success rates may vary among lead agencies. Studies have found that group home placements are less effective and more costly alternatives compared to foster homes. In addition, substance abuse issues may be increasing child removal rates and creating a greater need for placements. The preliminary objective of this project is to identify best practices employed by Florida’s CBC lead agencies, as well as other states’ child welfare systems in recruiting and retaining foster parents and providing high-quality foster homes.

5) Inappropriate Access to Case Files

During our risk assessment process, Department managers expressed concerns regarding employees inappropriately accessing case information in the Automated Community Connection to Economic Self Sufficiency (ACCESS) public assistance service delivery system. This behavior includes accessing case information for relatives or friends and, in some circumstances, acting on those cases. Preliminary objectives for this project include reviewing preventative and detective controls over employee access to case data.

6) Center for Information Security (CIS) Critical Security Control #3 - Continuous Vulnerability Management

CIS Critical Security Controls are a prioritized list of 20 best practices representing actions organizations can take to assess and improve information technology security. These controls and their priority were developed by industry professionals and represent, at a minimum, what all organizations should be doing to protect and defend their information technology assets. Critical Security Controls 1 through 6 are referred to as "cyber hygiene" and represent basic steps an organization must take to create a strong foundation for defending information technology assets. This project will determine whether the following control is in place and operating effectively:

Critical Security Control #3: Continuous Vulnerability Management

Continuously acquire, assess, and take action on new information in order to identify vulnerabilities, remediate, and minimize the window of opportunity for attackers.

7) Information Technology Systems and Hardware Video Recording Equipment

Aging systems and hardware in mental health treatment facilities may place resident and staff safety at risk. In certain facilities, staff rotate working cameras among key areas in order to detect or deter potential violent or dangerous behaviors, leaving uncovered areas vulnerable. Preliminary objectives of this project include assessing the adequacy of video monitoring systems and review procedures in mental health treatment facilities.

8) Community-Based Care Safety Management Initiative

In July 2016, the Office of Child Welfare initiated a service array assessment with each CBC lead agency across the state. The assessment focuses on evaluating the availability, access, and application of services for child welfare involved families. Safety Management Services seek to manage or control conditions that make a child unsafe and are one of the services included in the assessment. The preliminary objectives of this project are to ensure that the Department is monitoring and evaluating each CBC lead agency's assessment of its Safety Management Services and that the Department is following up to ensure corrective action is taken when monitoring identifies weaknesses in service delivery.

9) Inappropriate Data Access - Florida Safe Families Network (FSFN)

FSFN is Florida's official *Statewide Automated Child Welfare Information System* and functions as the repository for documenting and reporting child welfare and related case work. Department employees, contractors, and service provider employees obtain access to FSFN to conduct authorized business and provide services on behalf of the Department. In some instances, terminated users may reacquire FSFN access through subsequent employment, despite having inappropriately accessed FSFN during previous employment. Preliminary objectives of this project include reviewing procedures for granting FSFN access and verifying FSFN user previous access history(ies).

10) Investigative Referrals to the Division of Public Assistance Fraud

Under a memorandum of agreement with the Department of Financial Services (DFS), the Office of Public Benefits Integrity (OPBI) refers cases involving public benefits fraud to the DFS Division of Public Assistance Fraud (DPAF) for review and investigation. Since FY 2015-2016, the Department has paid from \$2.2 million to \$3.1 million annually, as part of its five-year agreement, set to expire June 30, 2020. According to OPBI management, DPAF accepts approximately only 4% of the cases referred by OPBI. Preliminary objectives of this project include reviewing referrals, identifying causes of low case acceptance rates, and identifying methods to improve the agreement between the Department and DFS.

11) Organizational Ethics

Section 20.055(6)(a), Florida Statutes, requires that the Office of Inspector General conduct audits in accordance with the Standards. IIA Standard 2110.A1 requires the internal audit activity to evaluate an organization's ethics-related objectives, programs, and activities. This assessment was last conducted during fiscal year 2015-2016. The objective of this project is to evaluate the design and effectiveness of the Department's ethics-related programs and activities.

12) Florida On-line Recipient Integrated Data Access (FLORIDA) System Identification Verification and Fraud Concerns

The Economic Self-Sufficiency Program utilizes FLORIDA to assist in program eligibility determinations and benefit issuance. During our risk assessment interviews, managers throughout the Department expressed concerns about identification verification and fraud susceptibility in the FLORIDA system. This project will include reviewing the current process for online authentication as well as conferring with another agency that used a similar identification verification process.

WORK PLAN APPROVAL

Please indicate approval of the Fiscal Year 2019-2020 Internal Audit Work Plan for the Office of Inspector General below.

Concur ✓

Do Not Concur

Comments:


Secretary

 7/2/19
Date

APPENDIX

LONG TERM WORK PLAN

#	Risk Item	Project Title	Risk Score	Office	Program or Unit
13	DCF-183	Florida Abuse Hotline: Staff Turnover and Retention	15.00	Child Welfare	Florida Abuse Hotline
14	DCF-49	Children's Legal Services	14.80	General Counsel	Children's Legal Services
15	DCF-5	Suicide Prevention	14.60	Substance Abuse and Mental Health	State Hospitals
16	DCF-289	Allowable Costs in Fixed-Price Contracts	14.60	Administration	Contracted Client Services
17	DCF-244	Fleet Management and Vehicle Usage	14.00	Administration	General Services
18	DCF-267	Lead Agency Accountability - Client Trust Funds	13.60	Operations	Southern Region
19	DCF-218	Workers' Compensation Insurance Coverage and Claims Experience	13.00	Administration	General Services
20	DCF-282	Information Technology Contracting with Deloitte	12.60	Administration	Information Technology Services
21	DCF-180	Mental Health Treatment Facility Welfare Trust Funds	12.29	Substance Abuse and Mental Health	Mental Health Treatment Facilities
22	DCF-281	Turnover of ESS-I Staff Positions	11.80	Economic Self-Sufficiency	ACCESS
23	DCF-217	Purchasing and Purchasing Card Administration	11.60	Administration	General Services
24	DCF-224	Cost of Care/Medicaid Billing	10.20	Substance Abuse and Mental Health	Managing Entities
25	DCF-234	Cash Collection	10.00	Administration	Financial Management
26	DCF-188	Effectiveness of Overtime	10.00	Operations	Child Welfare
27	DCF-142	Expenditure Refunds	10.00	Administration	Financial Management
28	DCF-259	Child Care Licensing Fees	9.80	Child Welfare	Child Care Services
29	DCF-44	Out of State Usage of Electronic Benefit Cards	9.29	Economic Self-Sufficiency	ACCESS
30	DCF-215	Department Services to APD Clients	9.12	Child Welfare	Child Welfare
31	DCF-103	Untimely Department of Revenue Child Support Enforcement Sanctions on Uncooperative Recipients	8.80	Economic Self-Sufficiency	ACCESS
32	DCF-185	Data Integrity Regarding Facility Names in Florida Safe Families Network	8.38	Administration	Information Technology Services
33	DCF-27	Asset and Inventory Management	7.40	Administration	General Services
34	DCF-83	Incorrect Benefit Payment & Untimely Data Exchanges	6.00	Economic Self-Sufficiency	ACCESS