



**Florida Department of Revenue**  
*Office of Inspector General*

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Executive Director

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September 20, 2022

Jim Zingale, Executive Director  
Florida Department of Revenue  
2450 Shumard Oak Boulevard  
Tallahassee, FL 32399

Dear Dr. Zingale:

We are pleased to submit the Office of Inspector General's (OIG) Annual report for Fiscal Year 2021-2022, as required by section 20.055(8), Florida Statutes. It highlights the accomplishments, findings, recommendations, and outcomes of significant audits, investigations, and special projects completed during the year.

Our focus continues to be to promote accountability, integrity, and efficiency within the Department. Additionally, we look forward to continuing our partnership with Department management and other agency stakeholders as we work together to fulfill the agency's vision, mission, values, and strategic goals.

We appreciate the support and confidence you have shown this office and remain committed to our service to the Department of Revenue and all Floridians.

Respectfully submitted,

Angie Welch  
Inspector General

cc: Office of the Chief Inspector General  
Office of the Auditor General



# **ANNUAL REPORT**

## **2021-2022**

**Internal  
Audit**

**Internal  
Investigations**

**Risk Identification  
and Response**

# Table of Contents

<b>Introduction</b> .....	<b><u>1</u></b>
<b>Vision, Mission, and Values</b> .....	<b><u>2</u></b>
<b>Organizational Chart</b> .....	<b><u>3</u></b>
<b>Staff Qualifications and Training</b> .....	<b><u>4</u></b>
<b>Executive Summary</b> .....	<b><u>5</u></b>
<b>Internal Audit Section</b> .....	<b><u>7</u></b>
<b>Internal Investigations Section</b> .....	<b><u>12</u></b>
<b>Risk Identification and Response</b> .....	<b><u>17</u></b>
<b>Administrative Functions</b> .....	<b><u>19</u></b>
<b>Appendix A:</b>	
<b>Summary of Internal Engagements for 2021-2022</b> .....	<b><u>21</u></b>
<b>Appendix B:</b>	
<b>Outstanding Corrective Actions for Prior Audit Reports</b> .....	<b><u>26</u></b>
<b>Appendix C:</b>	
<b>Summary of Closed Internal Investigations for 2021-2022</b> .....	<b><u>28</u></b>



# Introduction

Section 20.055, Florida Statutes (F.S.), establishes the Office of Inspector General (OIG) in each state agency to coordinate activities that promote accountability, integrity, and efficiency in government. Each OIG must complete an annual report by September 30, summarizing the activities of the office during the prior fiscal year. Further, the following chart reflects the responsibilities of each OIG:

		PROMOTE				
EFFICIENCY		Informing and updating the executive director of fraud, abuses, and deficiencies concerning program operations; recommending corrective action; and monitoring progress made in corrective action	Conducting, supervising, or coordinating activities to prevent and detect fraud and abuse and promote economy and efficiency in the administration of programs and operations			
		Directing, supervising, and coordinating audits, investigations, and management reviews relating to the programs and operations of the Department	Assessing the reliability and validity of the information provided on performance measures and standards and recommending improvements			
		Ensuring effective coordination and cooperation with the Auditor General, federal auditors, and other governmental bodies	Reviewing actions taken by the Department to improve program performance and meet standards	Reviewing rules, as appropriate, relating to the programs and operations of the Department	Complying with General Principles and Standards for Offices of Inspector General	
		Ensuring an appropriate balance is maintained between audit, investigative, and other accountability activities	Advising in the development of performance measures, standards, and procedures for the evaluation of Department programs			
		ACCOUNTABILITY				
						INTEGRITY

At the Florida Department of Revenue (Department), these responsibilities are carried out by 19 full-time equivalent positions. The OIG is in the Executive Direction and Support Services Program (EXE), and the inspector general reports directly to the executive director.



# Vision, Mission, and Values

## Vision:

A best-in-class Office of Inspector General committed to collaborating with the Department of Revenue to protect and enhance public trust and promote accountability, integrity, and efficiency in government

## Mission:

1. To assist management in their mission to administer program activities fairly, consistently, effectively, and efficiently
2. To proactively identify inherent and emerging risks which could prohibit or deter management's ability to achieve business goals and objectives
3. To perform activities designed to detect, deter, prevent, and eradicate fraud, waste, and abuse in the Department's programs and operations

The OIG also promotes and contributes to the Department of Revenue's Character and Performance Values

### Character Values: Concern for others

Fairness  
Honesty  
Integrity  
Respect  
Trust

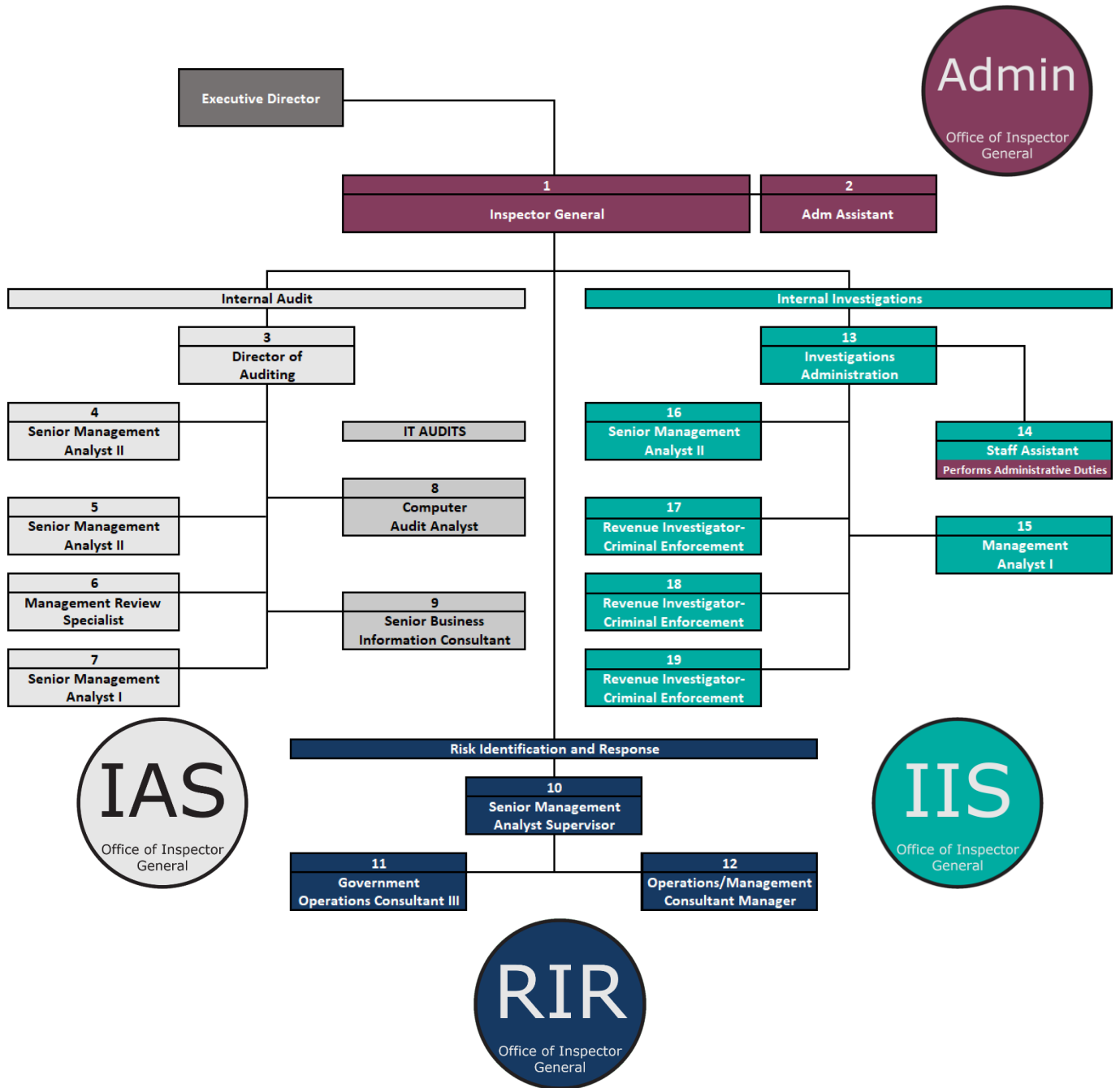


### Performance Values:

Commitment  
Communication  
Excellence  
Innovation  
Knowledge  
Service  
Teamwork



# Organizational Chart



# Staff Qualifications and Training

OIG staff backgrounds and experience cover a wide variety of disciplines, including accounting, auditing, investigations, fraud prevention and detection, cybersecurity, and information systems. For each staff member, a minimum of 20 hours of training is required each fiscal year.

## Trainings:

Each staff member is encouraged to participate in courses, conferences, seminars, and webinars made available through national and local organizations and vendors. Below are some examples.

➤ White-Collar Crime: Prosecution and Investigation	➤ Catch Me If You Can: Today's Pink Collar Criminals
➤ Deception, Detection and Interview Techniques	➤ Building a Supportive and Engaged Organization
➤ Skills for Leading and Managing in Today's Hybrid Work Environment	➤ Strategies for Detecting Fraud During a Global Pandemic
➤ Cybersecurity Fundamentals	➤ Mindshift: A New Approach to Risk and Compliance

## Certifications:

Staff members hold professional certifications to maintain proficiency in their profession.

➤ Certified Inspector General (CIG)	➤ Certified Public Accountant (CPA)
➤ Florida Certified Contract Manager (FCCM)	➤ Certified Information Systems Auditor (CISA)
➤ Certified Fraud Examiner (CFE)	➤ Certified Inspector General Auditor (CIGA)
➤ Certified Government Financial Manager (CGFM)	➤ Certified Public Manager (CPM)
➤ Certified Internal Auditor (CIA)	➤ Certified Inspector General Investigator (CIGI)
➤ Certified Internal Control Auditor (CICA)	➤ Internal Auditor Certification in Information Technology Systems Management According to ISO/IEC 2000-1:2011
➤ Certified Data Privacy Solutions Engineer (CDSPE)	

## Professional Organizations:

Staff members also participate in several professional organizations.



# Executive Summary

## OIG Highlights and Significant Efforts

- Reduced OIG staff vacancy rate from 42% to 5%
- Reaccredited by the Commission for Law Enforcement Accreditation
- Participated on the panel of “**Time is Valuable – Let’s Spend it Well**” DOR Talks webinar
- Two OIG staff assisted with the agency’s Appropriate Workplace Behavior Team
- Engaged in the agency strategic initiative process

## OIG Strategic Initiatives

Increase the understanding of the role of the OIG

### Internal Audit Strategic Initiatives:

- Automation of external audit and program communication
- Redesign audit management reports
- Redesign internal audit plan process
- Obtain an Audit Workpaper System



### Internal Investigations Strategic Initiatives:

- Refine managing the accreditation process
- Implement electronic case files
- Redesign internal investigations management reports
- Refine Corrective Action Plan process
- Re-evaluate investigative procedures and activities to improve timeliness of products
- Refine Case Management System (Cherwell)



### Risk Identification & Response Strategic Initiatives:

- Redesign the risk assessment process
- Develop metrics to measure quality of risks identified in the risk assessment process
- Redesign the fraud prevention and response process
- Increase fraud prevention and response activities



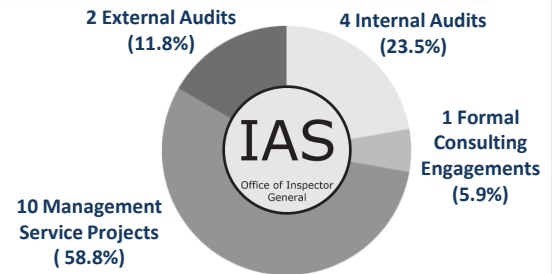


# Executive Summary

## Internal Audit

Presented Internal Controls training four times. Also completed 17 projects consisting of:

- 4 internal audits
- 1 formal consulting project
- 2 external audit coordination activities
- 10 management services activities



## Internal Investigations

Completed 69 cases consisting of:

- 20 investigations
- 49 intake reviews



## Risk Identification & Response

Presented fraud awareness and workplace violence training four times. Below is a summary of completed projects and significant issues identified:

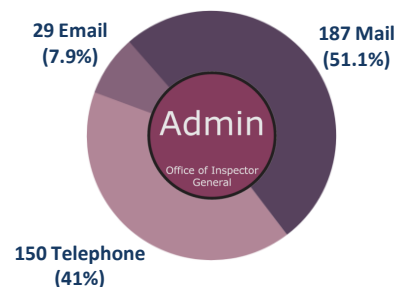
- Timely assessed 133 workplace violence reports
- Closed 13 current arrest reviews
- Coordinated agency-wide National Fraud Awareness Week communications



## Administrative Functions

Facilitated communications with other programs, outside agencies, child support customers and taxpayers as well as:

- Processed 26 public records requests
- Prepared archived files for disposal
- Referred 366 taxpayer correspondences to the appropriate office:
  - 187 by mail
  - 150 telephone calls
  - 29 emails



# Internal Audit

The Internal Audit Section (IAS) is responsible for conducting audits, consulting engagements, and management services related to the operations of the Department. Additionally, the IAS coordinates external audits and follows up on findings from previous audits to determine whether management has taken appropriate corrective action.

## Internal Audit Engagements

During FY 2021-22, the IAS completed four internal audits. Below is a summary of findings and outcomes for each audit.

### **Agency – Audit of Contracts**

This audit resulted in three findings. Two findings indicated the mismatch of certain contract information with other data sources, such as the inactive vendor list provided by the Department of Management Services (DMS) and the contract term recorded in the Florida Accountability Contract Tracking System (FACTS).

**Outcome: Department management agreed with the findings and, in response, established and maintained a regular review and monitoring process to ensure proper alignment of contract information with those provided by DMS and those reflected in FACTS, respectively.**

The remaining one finding noted issues regarding the completeness and accuracy of certain contract files.

**Outcome: Department management agreed with this finding and is in the process of enhancing checklists that assist contract managers in documenting detailed and accurate reviews of contract files.**

### **Internal Control and Data Security Audit on Data Exchange Memorandum of Understanding (MOU) between the Florida Department of Revenue and the Florida Department of Highway Safety and Motor Vehicles**

This audit resulted in one finding requiring increased controls regarding the periodic access review process.

**Outcome: Department management agreed with the finding and implemented a procedure that mandates the semi-annual review of user access rights. This procedure ensures staff have appropriate access to perform assigned tasks.**



# Internal Audit

## Internal Audit Engagements (cont.)

### Information Services Program – Resolution Processes

This audit resulted in one finding that calls for the enhancement of one key performance indicator (KPI) in the service request fulfillment process.

**Outcome: Department management agreed with the finding and revamped the KPI to ensure the metric results are valid for evaluating the performance of the request fulfillment process.**

### General Tax Administration (GTA) – Taxpayer Services Process Audit

This audit resulted in four findings that identify deficiencies in several areas of operations, including:

- Compromising of authority levels
- Inadequate monitoring process over corrections and compromises
- Insufficient procedure governing the selection of compromise and correction reason codes in the System for Unified Taxation (SUNTAX) application
- Inadequate documentation to substantiate certain extraordinary circumstances and reasonable causes

**Outcome: Department management, in general, agreed with the findings and implemented various control measures to enhance operational effectiveness, streamline organizational outcomes, and decrease risk exposure.**

## Internal Formal Consulting Engagements

During FY 2021-22, the IAS completed one formal consulting engagement. Below is a summary of this consulting engagement and its outcome.

### ISO 20000 Internal Audit 2021-2022

Resulted in three minor nonconformities and twenty-eight opportunities for improvements.

**Outcome: Affected IT Service Management (ITSM) process and service owners were provided with recommendations to continually improve their operational performance and demonstrate compliance with requirements specified in ISO/IEC 20000-1:2018 standards.**

[See Appendix A for a complete summary of Internal Engagements.](#)



# Internal Audit

## External Audit Coordination

The IAS also coordinates external engagements. Coordinating engagements means ensuring external auditors contact the most appropriate personnel to achieve their objectives and respond timely to external inquiries. Coordination also means building effective relationships with internal and external parties. Below is a summary of findings and outcomes for each audit.

### **Auditor General – Financial Audit**

This audit resulted in one finding (2021-005). The finding related to end-of-year financial reporting related to net receivables.

**Outcome: The Office of Financial Management (OFM) developed a seven-step corrective action plan. As of August 2022, OFM had reviewed and updated all year-end procedures for the Financial Systems and Analysis (FS&A) section.**

### **Auditor General – Federal Awards Audit**

This audit resulted in four findings. One finding (2021-036) was specific to a service organization correcting deficiencies noted in their independent audit.

**Outcome: The service organization provided their most recent audit report, and GTA management reviewed the report. Management noted all deficiencies had been corrected.**

The remaining three findings (2021-037, 2021-038, 2021-073) were confidential IT-related findings.

**Outcome: Phase I of implementing corrections was completed in June 2022. Management has indicated that Phase II will be complete in October 2022 and the final phase will be complete in February 2023.**



# Internal Audit

## Audit Activities and Management Service Projects

### **GTA Taxpayer Management Review**

Management requested this review of GTA tax audit processes to determine compliance with statutory requirements and GTA procedures.

**Outcome: GTA generally followed established procedures and/or processes.**

### **Annual Risk Assessment Activities**

IAS surveyed the programs to identify areas with the highest levels of risk exposure. Criteria used for the risk assessment included complexity of operations, management interest, controls, financial materiality, changes in procedures and personnel, results of prior audits, public exposure, and potential for fraud. Results from the risk assessment were used to develop IAS's long-term and annual audit plans.

### **Program Assistance**

The purpose of this activity was to provide limited scope assistance to programs throughout the Department, as needed, in response to specific requests. During this fiscal year, we provided assistance to the following programs: Child Support, Executive Direction and Support Services, General Tax Administration, Information Services, and Property Tax Oversight.

### **Review of Performance Measures**

In accordance with s. 20.055(2)(a), F.S., the OIG serves in an advisory capacity to program management and staff during the development of performance measures, standards, and procedures for evaluating the Department's programs. IAS also reviews and verifies related performance measures' validity and reliability during assurance engagements throughout the year.

### **Quality Assessment Review Activities During 2021-2022**

In anticipation of the Office of the Auditor General's triennial Quality Assessment Review, staff performed an engagement to ensure the IAS documented its compliance with the Auditing Standards.

### **Policy and Procedure Reviews**

The IAS reviewed Departmentwide policies and procedures to identify any gaps in internal controls.



# Internal Audit

## Audit Activities and Management Service Projects (cont.)

### Schedule IX Preparation

The schedule IX contains major findings and recommendations found in Auditor General and internal audit reports during two designated fiscal years. The Department submits the schedule IX as part of the annual Legislative Budget Request.

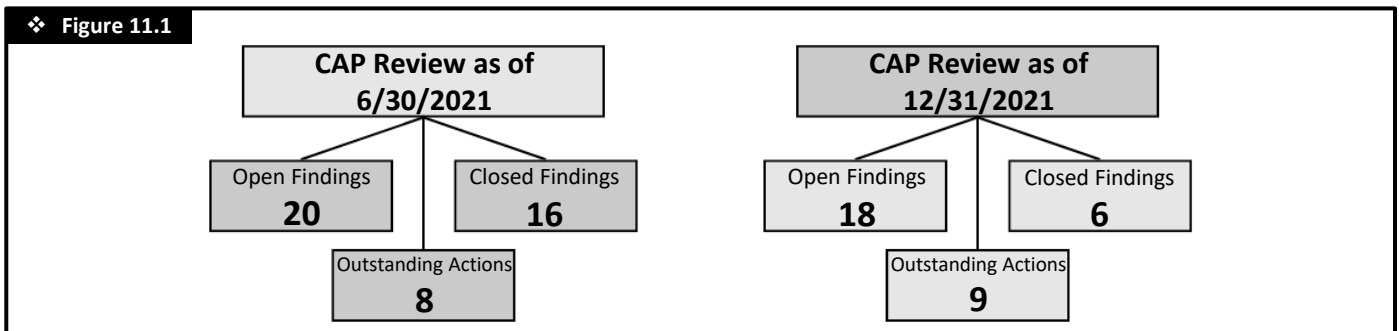
### OPPAGA Fuel Tax Alternative Project

The Office of Program Policy Analysis and Government Accountability (OPPAGA) conducted this project to research fuel tax alternatives for the Florida Legislature. General Tax Administration personnel assisted by answering information requests and preparing a presentation for OPPAGA showing the current fuel tax process in Florida. This project is now with OPPAGA and the Florida Legislature.

### Follow-Up on Corrective Action Plans

Corrective Action Plan (CAP) reviews are performed twice a year as a means to follow up on the status of programs' corrective action plans.

❖ Figure 11.1 details each CAP review performed for 2021-2022.



See Appendix B for a list of outstanding corrective actions for prior audit reports.

### Other Follow-Up Reviews

The purpose of these reviews was to follow up on findings related to Auditor General (AG), OPPAGA, or other agency audits in accordance with statutory requirements. During FY 2021-22, follow-ups were performed on two AG reports.

- **AG Report 2021-100** – Two findings were reviewed: Finding one was considered closed and Finding 2 was considered partially complete.
- **AG Report 2021-182** – Two findings were reviewed: Finding 2020-24 was considered closed and Finding 2020-25 was considered partially complete.



# Internal Investigations

The Internal Investigations Section (IIS) is responsible for conducting investigations to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses. Additionally, IIS coordinates all activities required by the Whistle-blower's Act s. 112.3187-112.31895, F.S., and completes the three-year reaccreditation process for the OIG investigative function.

## Summaries of Completed Investigations

The IIS completed 20 investigations during FY 2021-22. Below are highlights of some of these cases.

### **Falsification of Records and Making False Statements**

The OIG received an allegation that a Department employee provided false statements and records to their supervisor, in which the employee: 1) claimed to have completed assigned tasks when they had not, 2) exaggerated the work they performed, and 3) falsified the date/time of an email so to appear timely submitted according to the supervisor's instructions.

**Outcome: The employee provided false statements and records as alleged, to cover not completing their work as assigned.**

**The employee resigned during the OIG's investigation.**

### **Dishonesty and Making a False Statement, and Threatening, Discourteous, and/or Disrespectful Behavior**

The OIG received allegations that a manager lied to employees about requiring employees to maintain a specific leave balance. It was also alleged the manager yelled at employees in a manner that was threatening and constituted a hostile work environment (non-discriminatory).

**Outcome: The manager did not lie to employees in requiring employees to maintain a specific leave balance, a practice carried over from previous management, or exhibit threatening, or violent behavior as defined by Department policy. However, the manager raised their voice to employees in a manner that constituted discourteous, disrespectful, and/or disruptive behavior/conduct.**

**The manager was disciplined and subsequently granted voluntary demotion. Based on the OIG's recommendations, management implemented a plan to periodically assess the work climate of the program/process at issue and notified relevant management staff there is no minimum leave requirement expectation of employees.**



# Internal Investigations

## Summaries of Completed Investigations (cont.)

### Dishonesty and Falsification of Records

The OIG received an allegation that a Department employee (employee 1) submitted a skills verification test (SVT) that contained answers copied directly from another SVT previously submitted by another Department employee (employee 2).

**Outcome: The allegations were found to be true. The investigations also found employee 2 willingly shared their SVT answers with employee 1 and that employee 2 sought unauthorized assistance while taking their SVT. The employees were terminated. Based on the OIG's recommendations, management implemented an addendum to the SVT instructions which explicitly informs candidates of the consequences associated with any breach of confidentiality of the materials/information contained within an SVT.**

### Fraudulent Child Support Payments

The OIG received an allegation regarding numerous fraudulent child support payments made by a person owing child support.

**Outcome: The OIG referred the matter to the Florida Department of Law Enforcement (FDLE) for investigation. FDLE investigated the case, and the State Attorney's Office accepted it for prosecution. There was no indication a Department employee was involved in the fraud.**

### Confidentiality

The OIG received an allegation that a Department employee advised a taxpayer (taxpayer 1) against doing business with another taxpayer's (taxpayer 2's) company due to the existence of a Department audit and erroneously divulged to taxpayer 1 that taxpayer 2's company was not collecting taxes properly.

**Outcome: The employee did not divulge confidential information about taxpayer 2's company to taxpayer 1. Taxpayer 1 contacted the Department for guidance regarding how to handle sales tax if they were to do business with taxpayer 2's company and was assisted by the employee. The employee provided the requested information but did not discourage taxpayer 1 against doing business with taxpayer 2's company.**





# Internal Investigations

## Summaries of Completed Investigations (cont.)

### **Confidentiality and Conflict of Interest**

The OIG received an allegation that a Department employee: 1) accessed, viewed, and disclosed confidential child support case information involving a person owing child support with whom the employee had a personal relationship, and 2) interfered in the child support case at issue to prevent the person owed the support from receiving payment.

**Outcome: The employee did access and view child support case information of a person owed support with whom they had a personal relationship but did not disclose information to the person. Additionally, information obtained supported the employee handled work-related matters involving the person owed support, but the employee's actions did not interfere with or prevent the person owed support from receiving the payments. Furthermore, the OIG found the employee accessed and viewed information in the Clerks of Court's Comprehensive Information System (CCIS) pertaining to their own legal matters, used their Department network password as the password for their CCIS account, and used their personal cell phone to access CCIS through their government account. The employee resigned in lieu of termination.**

### **Unauthorized Use of Department Computer and Internet Resources/Confidentiality**

During an OIG compliance initiative regarding internet use, an employee was identified as having potentially viewed pornographic websites during and outside work hours.

**Outcome: The employee viewed pornographic and sexually explicit images multiple times each workday and on weekends and willfully bypassed the Department computer's "SafeSearch" content filter to view prohibited content. The investigation also found the employee stored personal documents on their assigned Department computer and sent confidential information from their personal email account to an external account.**

The employee resigned in lieu of discipline. Based on the OIG's recommendations, management eliminated user control of the "SafeSearch" feature. Additionally, management reviewed the nature of the disclosure of confidential information by the employee and determined no further action or notification was required.



# Internal Investigations

## Summaries of Completed Investigations (cont.)

### **Unwelcome or Offensive Behavior and Sexual Harassment**

The OIG received an allegation that a Department manager sexually harassed contract employees by asking about their personal lives and relationships and making comments of a sexual nature to them.

**Outcome: While the manager's conduct did not rise to the level of sexual harassment, their comments regarding the personal lives of the contract employees were unwelcome and inappropriate for the workplace.**

The investigation also found multiple other issues regarding the conduct of the manager and another Department employee.

1. The manager and employee engaged in conduct toward certain contract employees that was regarded as favoritism by other contract employees and circumvented the contractor's guidelines for its employees.
2. The employee was alleged to have only wanted contract employees of a certain sex assigned to the Department location at issue. Though unsupported, the allegation revealed that all contract employees at issue were of the same sex.
3. The employee allegedly threatened retaliation against any contract employee cooperating with the OIG's investigation of the allegations against the manager.

The manager was disciplined, and the employee was counseled on expectations for future behavior. Based on the OIG's recommendation, management reviewed the allegation of retaliation against the employee, who, upon questioning, denied making any threats of retaliation.

[See Appendix C for a summary of closed cases for FY 2021-22, including data from both intake reviews and investigations.](#)

## Other IIS Highlights

### **Commission for Law Enforcement Accreditation**

The IIS applies for OIG reaccreditation by the Commission for Law Enforcement Accreditation every three years. This is a voluntary process to ensure IIS meets the highest professional standards. On June 16, 2022, the Department of Revenue OIG was reaccredited for the third time since its original accreditation in 2013.

### **Staffing**

The IIS became fully staffed after working through 42% of available positions being vacant.

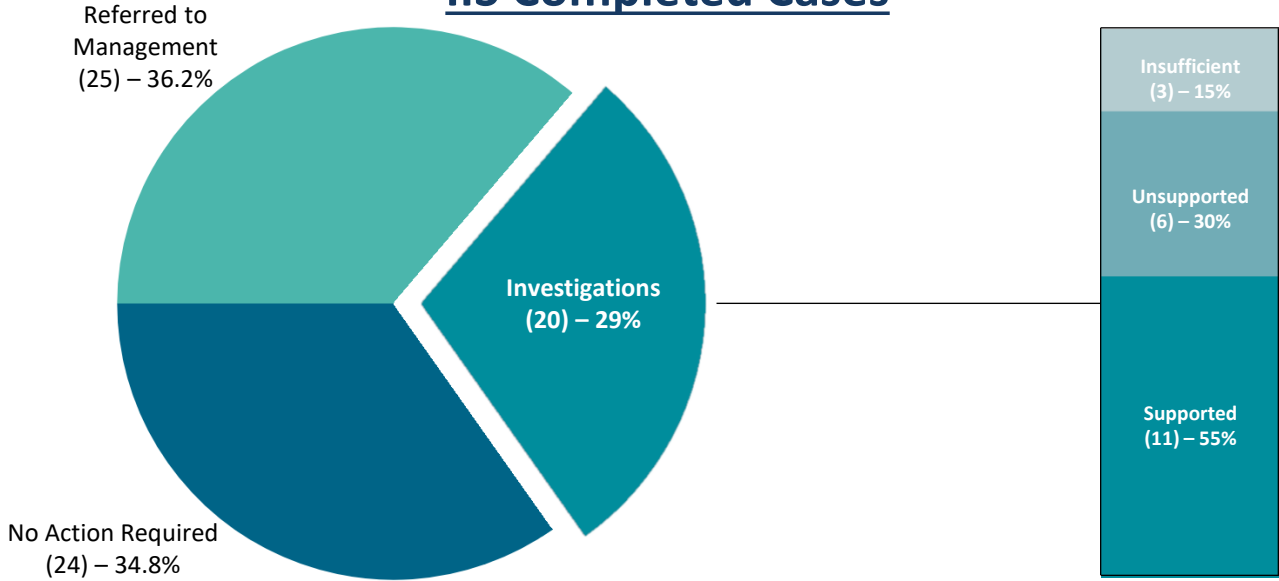


# Internal Investigations

❖ Figures 16.1 and 16.2 show case disposition and category data.

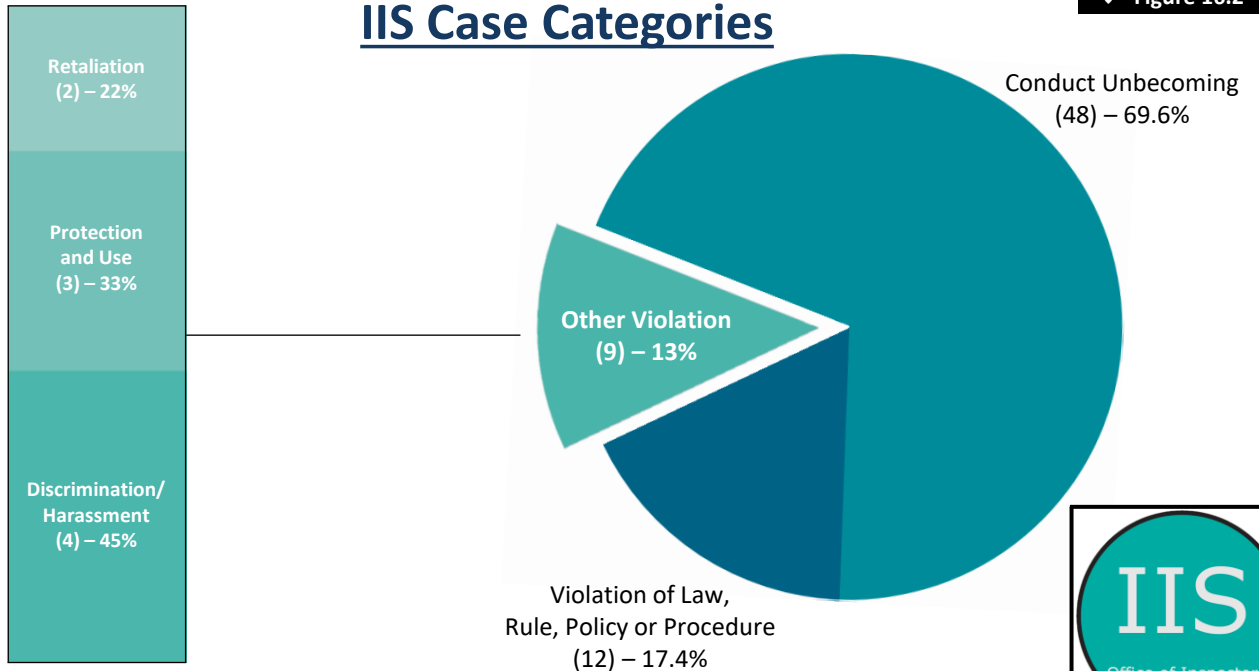
❖ **Figure 16.1**

## IIS Completed Cases



❖ **Figure 16.2**

## IIS Case Categories



# Risk Identification and Response

During FY 2021-22, the Special Projects Section within the OIG was reorganized into the Risk Identification and Response Section (RIR). The RIR is responsible for: 1) timely notifying all potentially affected program staff of reported workplace violence incidents and providing recommendations for appropriate action, 2) determining the timeliness of reports by current employees arrested or charged with criminal offenses, and 3) developing and implementing programs to aid in the prevention, deterrence, and detection of fraud. Additionally, the RIR staff performs risk assessments of proposed and revised Department policies and procedures and performs legislative bill analysis to determine potential changes bills propose, as well as operational and fiscal impacts to the OIG and the Department.

## Highlights of Work Performed

### Workplace Violence

The RIR receives reports of workplace violence from a variety of sources and is required to provide an assessment of the report by the next business day. This year, the RIR timely assessed 133 workplace violence reports. RIR staff also facilitated four workplace violence training sessions to new agency supervisors.

### Current Arrests

An employee's prompt reporting of an arrest is required by the Department's Standards of Conduct. The RIR determines whether the employee filed the report in a timely manner and recommends that management work with Employee Relations to determine if it's a conflict with the employee's current job duties. The 2021-2022 fiscal year began with seven open arrest reviews. Throughout the year, 12 reviews were added and 13 reviews were closed. The RIR ended the year with six remaining open reviews.

### Legislative Bill Analyses

The RIR analyzes bills filed by members of the Florida Legislature and provides the results to the Office of Legislative and Cabinet Services. The reviews summarize current law and the changes that the proposed language would require or permit should the bills become law. During FY 2021-22, the RIR analyzed four bills.



# Risk Identification and Response

## Highlights of Work Performed (cont.)

### Fraud Awareness

Fraud awareness, detection, and prevention are ongoing priorities for the Department. The RIR focuses heavily on raising employee awareness about fraud. During National Fraud Awareness Week, the RIR distributed a departmentwide communication to promote understanding and remind employees of their responsibility to report suspected fraud to the OIG. Additionally, the RIR facilitated four fraud awareness training sessions to new Department supervisors to provide further training about preventing and detecting fraud in the Department.

### Policy and Procedure Reviews

At the request of the Office of Workforce Management Policy Unit, the RIR reviews Departmentwide policies and procedures. These reviews are divided into two types:

- **Stakeholder reviews** analyze adverse impacts the policy and/or procedure would have on the OIG. Possible adverse impacts include increased costs, legal non-compliance, and difficulty in implementation.
- **Risk reviews** analyze possible risks to the Department created by the policy and/or procedure. Examples of risks include fraud risks, inadequate/inappropriate internal controls, and legal non-compliance.
- ❖ Figure 18.1 shows the number of each type of review completed during FY 2021-22.

❖ Figure 18.1

Stakeholder Reviews (7)

Risk Reviews (9)



# Administrative Functions

The OIG staff also conduct daily administrative tasks essential to the office and to the Department's success. These tasks include processing public records requests, preparing archived OIG files for appropriate disposal, and fielding communications from various entities such as:

- Taxpayers
- Child Support customers
- Other department program offices
- External agencies

## Administrative Highlights

### Public Records Requests

The OIG is responsible for receiving and processing public records requests in a timely and responsible manner. The office successfully processed 26 public records requests for FY 2021-22.

### File Disposal

Many of the OIG's files must be retained for a set period of time. Upon completion, certain archived files become eligible for destruction. OIG staff periodically review, organize, and properly dispose of qualifying documents.

### Project Coordination

OIG staff routinely communicate with other program areas within the Department and with external agencies to coordinate engagements, investigations, or various other projects.

### Communication

The OIG receives correspondences via telephone, mail, or email. OIG staff are responsible for recording information from the Department customer and determining the appropriate action. Based on the interaction, staff may:

- Refer the Department customer to the IIS for review and determination
- Refer the Department customer to the appropriate internal process (e.g., Child Support, Taxpayer Assistance)
- Refer the Department customer to the appropriate external agency (e.g., the IRS, other state agencies)
- Determine no action is needed and close the file

The OIG received 366 correspondences during FY 2021-22: 187 by mail, 150 by telephone, and 29 by email.



# Administrative Functions

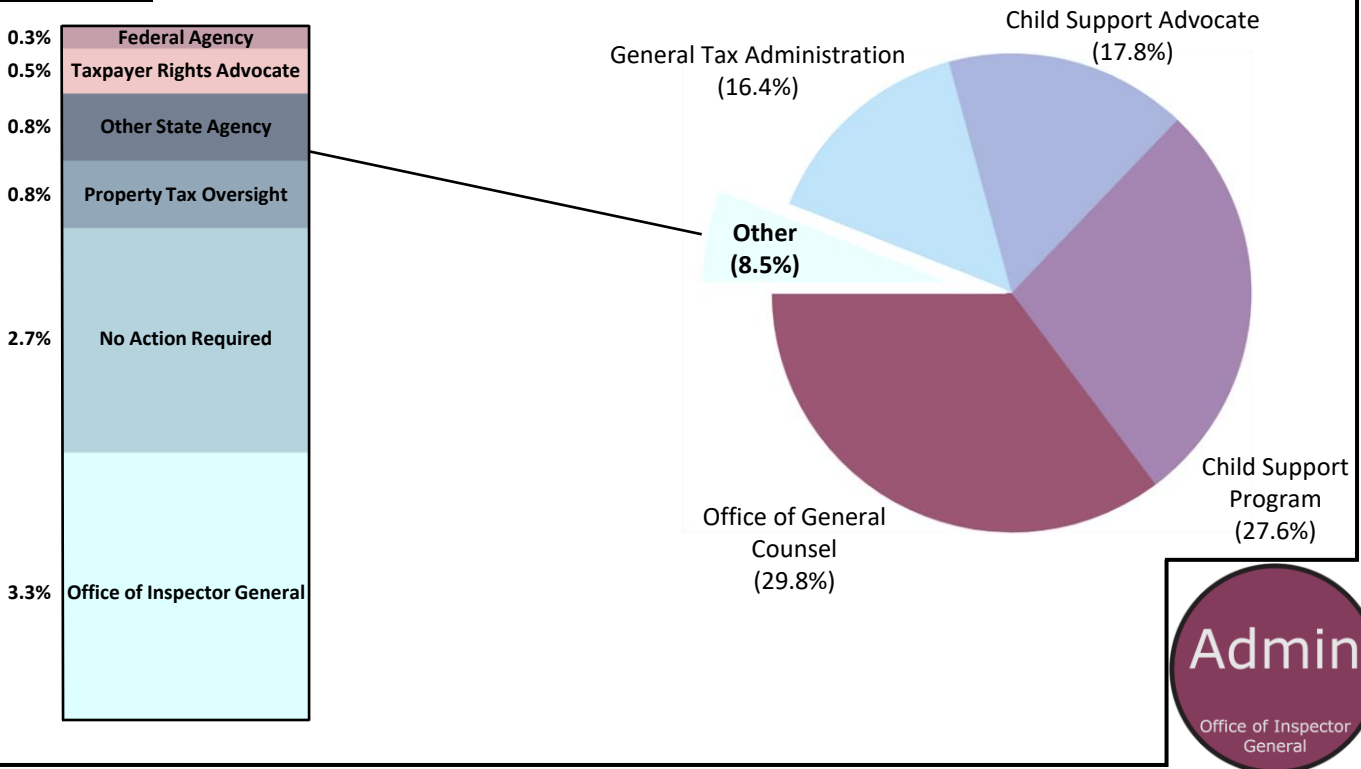
❖ Figures 20.1 and 20.2 show detailed correspondence data.

❖ Figure 20.1

## Correspondence Data

Referred To	Mail	Telephone	Email	Totals	Percentage
Office of General Counsel	107	2	0	109	29.8%
Child Support Program	33	59	9	101	27.6%
Child Support Advocate	2	55	8	65	17.8%
General Tax Administration	29	27	4	60	16.4%
Office of Inspector General	8	2	2	12	3.3%
No Action Required	3	3	4	10	2.7%
Property Tax Oversight	2	1	0	3	0.8%
Other State Agency	1	1	1	3	0.8%
Taxpayer Rights Advocate	1	0	1	2	0.5%
Federal Agency	1	0	0	1	0.3%
<b>Totals</b>	<b>187</b>	<b>150</b>	<b>29</b>	<b>366</b>	<b>100%</b>
<b>Percentage</b>	<b>51.1%</b>	<b>41%</b>	<b>7.9%</b>	<b>100%</b>	

❖ Figure 20.2



# Appendix A

## Summary of Internal Engagements for 2021-2022

<b>Agency – Audit of Contracts (Assurance)</b>	
<b>Objectives</b>	Determine if the Department is in compliance with s. 215.985(14)(a), F.S. – Transparency in Government
	Determine if the Department is in compliance with chapter 287, Procurement of Personal Property and Services, F.S.
	Determine if contract information in Florida Accountability Contract Tracking System (FACTS) is accurate
<b>Findings</b>	FACTS queries showed 13 active contracts with vendors who appeared on the DMS inactive vendor list.
	There were 22 contracts showing as active in FACTS, but the contract term had ended.
	Scope of work documents were not always clear and did not always contain unit prices and/or cost information.
	Additionally, as required by s. 287.136, F.S., we reviewed contracts for vendor preference and found no trends in vendor preference by the Department.
<b>Recommendations</b>	The Office of Financial Management (OFM) contract management staff should review the weekly list of inactive vendors provided by DMS and run the FACTS preset queries to determine whether contract information is accurate and take corrective action as needed.
	OFM should implement a thorough review and monitoring process which occurs on a regular basis and includes guidance on what constitutes timely closure to ensure compliance with s. 215.985(14)(b) and accurate information in FACTS.
	OFM should ensure detailed and accurate reviews of contract files by enhancing the checklist contract managers currently use while preparing documentation for contracts. The checklist should include evidence the Contract Management Team (CMT) lead or other appropriate personnel has reviewed the contract file for completeness and accuracy.
<b>Outcomes</b>	OFM CMT staff will complete a monthly review of the list of inactive vendors provided by DMS and run FACTS preset reports to ensure contract information is accurate. If any corrective actions are needed, contract management staff will make those edits as reviews are completed.
	OFM CMT staff will complete a monthly review of the FACTS preset reports to ensure contracts that have ended are marked as inactive in FACTS. If any corrective actions are needed, contract management staff will make those edits as reviews are completed.





# Appendix A (cont.)

## Summary of Internal Engagements for 2021-2022

### Agency – Audit of Contracts (cont.) (Assurance)

<b>Outcomes (cont.)</b>	OFM CMT staff will review the contract templates, the Purchasing and Contracts Manual and job aids to ensure they all clearly reflect the contract requirements as defined in s. 287.058, F.S. CMT staff will develop a checklist to use with the contract templates. The checklist will list each contract requirement in s. 287.058, F.S., and will require the program contract manager's or the OFM CMT lead's signature before routing the contract template. When all requirements of s. 287.058, F.S., are not applicable to a given contract, OFM will work with the Office of the General Counsel on a case-by-case basis to determine which requirements are applicable.
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### Internal Control and Data Security Audit on Data Exchange Memorandum of Understanding (MOU) between the Florida Department of Revenue and the Florida Department of Highway Safety and Motor Vehicles (Assurance)

<b>Objectives</b>	Determine if the Department is in compliance with the requirements of Memorandum of Understanding (MOU) CI276 to have adequate internal controls in place to protect Florida Department of Highway Safety and Motor Vehicles (FLHSMV) personal data from unauthorized access, distribution, use, modification, or disclosure.
<b>Findings</b>	No instance of unauthorized access to FLHSMV personal data were identified; however, the General Tax Administration Data Support Services (GTA DSS) controls for periodic access review need improvement.
<b>Recommendations</b>	The GTA DSS should develop and implement a process or procedure requiring the periodic review of user access rights to ensure its staff have appropriate levels of access needed to perform assigned tasks or activities. The GTA DSS should use a risk-based assessment approach to determine the frequency of user access review.
<b>Outcomes</b>	GTA established a procedure requiring GTA DSS to review access to the data semi-annually (January and July). Reviews will verify that access is limited to GTA authorized users.

### Information Services Program – Resolution Processes (Assurance)

<b>Objectives</b>	<p>The overall objective of this audit was to assess the operating effectiveness of the Information Services Program's (ISP) resolution processes to manage the handling of incidents, service requests, and problems in accordance with established internal procedures and the ISO/IEC 20000 standard. The specific objectives of our audit were to:</p> <p>a) Determine whether ISP implements and documents key activities as required in the incident/problem resolution and request fulfillment procedures</p>
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# Appendix A (cont.)

## Summary of Internal Engagements for 2021-2022

### Information Services Program – Resolution Processes (cont.) (Assurance)

<b>Objectives (cont.)</b>	b) Determine if ISP resolution processes have valid and meaningful performance metrics in support of ISP’s goals and objectives
<b>Findings</b>	The result of one KPI associated with the Request Fulfillment Process is not valid for monitoring different types of service requests and is potentially misleading.
<b>Recommendations</b>	ISP should address the limitation of the broad average by developing separate duration averages for distinctive sets of requests to ensure the metric results are valid for evaluating the performance of the request fulfillment process.
<b>Outcomes</b>	ISP created a new KPI measure for the Request Fulfillment Process which will contain the average duration of service requests broken down by each of the services.

### General Tax Administration – Taxpayer Services Process (Assurance)

<b>Objectives</b>	Determine if the Taxpayer Services Process (TSP) staff are compromising beyond their authority levels.
	Determine if monitoring of the corrections process is sufficient to ensure compliance with Department policies and procedures and Rule 12-13.002, Florida Administrative Code (F.A.C.)
	Determine if procedures for selecting reason codes in SUNTAX are sufficient.
	Determine if TSP staff are effectively substantiating reasonable cause or extraordinary circumstances.
<b>Findings</b>	TSP staff are compromising beyond their authority levels.
	The monitoring process of corrections and compromises is not sufficient to ensure compliance.
	The Receivables Management Compromises and Corrections Procedure 1.4, which is used for selecting compromise and correction reason codes in SUNTAX, is not sufficient.
	Some extraordinary circumstances and reasonable causes were not effectively substantiated by documentation.



# Appendix A (cont.)

## Summary of Internal Engagements for 2021-2022

### General Tax Administration – Taxpayer Services Process (cont.) (Assurance)

<b>Recommendations</b>	GTA program management should ensure application controls are in place in SUNTAX to prevent staff from exceeding their delegated authority level when compromising split penalties. SUNTAX controls should be updated to reflect the Department’s Delegation of Authority memo and limit staff’s compromise authority by total dollar amount for transactions sharing the same document number, tax type, and applied period. Controls should be tested periodically.
	GTA program management should establish and implement activities to monitor the compromise/correction review process for evaluation and remediation.
	GTA program management should ensure coordination between all processes who perform activities related to compromises and corrections. Receivables Management should ensure the definitions for reason codes in SUNTAX are included in the procedures and communicated to appropriate team members.
	TSP management should ensure staff are effectively trained on the reason codes used in SUNTAX. This includes, but is not limited to, creating a reliable desk reference guide for proper reason code selection and documentation of taxpayer accounts.
<b>Outcomes</b>	GTA will re-address handling of Administrative Collection Processing fees (ACP) and will work to clarify instances in which ACP fees should be treated as a compromise or as an adjustment. Dependent on direction provided, GTA will: <ul style="list-style-type: none"> <li>• Update Receivables Management’s procedures, or</li> <li>• Ensure the ACP and related compromise amounts are covered in the Delegation of Authority</li> </ul>
	GTA program management will establish a clear process and procedures for the compromise and correction review and the sampling algorithm will be altered to isolate the TSP as a unique entity to increase the sample size.
	TSP will provide users with the link to the appropriate reason codes for compromises and corrections. A team with members from each impacted process will meet quarterly to ensure consistency across processes.



# Appendix A (cont.)

## Summary of Internal Engagements for 2021-2022

### ISO 20000 Internal Audit 2021-2022 (Formal Consulting)

<b>Objectives</b>	Provide information on whether the Service Management System (SMS) complies with the organization's SMS requirements.
	Provide information on whether the SMS conforms to the requirements of ISO/IEC 20000-1:2018.
	Provide information on whether the SMS is effectively implemented and maintained.
<b>Recommendations</b>	ISP was recognized for making substantial improvements in two areas and was provided with recommendations in other areas to help ensure compliance with the standards document.

### GTA Taxpayer Management Review

<b>Objectives</b>	Determine if the Department followed established procedures and/or processes during an audit of a specific taxpayer.
<b>Findings</b>	GTA did follow established procedures and/or processes, but the processes could be strengthened.
<b>Recommendations</b>	We recommend GTA determine an effective means of ensuring auditors are thoroughly reviewing forms and working with taxpayers to complete any missing information.
	We recommend GTA update the Compliance Determination Handbook's documentation procedures to provide audit staff more guidance on recordkeeping to ensure significant details regarding statutory compliance and discussions with taxpayers are captured in SAP and the case activity record.
	We recommend GTA ensure consistency throughout the multiple regions by determining appropriate tax audit procedures for issuing draft workpapers to taxpayers.
	We recommend GTA determine whether specific requirements for documenting educational information provided by auditors, including conversations, should be included in the Compliance Determination Handbook.



# Appendix B

## Outstanding Corrective Actions as of June 30, 2022

Project # Program	Audit Name	Notes/Recommendations
2017-0115 ISP	Service Centers Audit "Management Memo"	<b>Outstanding for 3 years.</b> ISP purchased CyberArk Privilege Manager to monitor software installations. Still pending are the procedures for monitoring and preventing unauthorized software
2017-0115 ISP	Service Centers Audit "Management Memo"	<b>Outstanding for 3 years.</b> ISP is working with programs to identify "IT workers." <b>Executive director should inquire with ISP.</b>
2019-216 ISP/GTA	AG Operational Audit: Selected Administrative Activities and Prior Audit Follow-up	<b>Outstanding for 2.5 years.</b> Application was purchased to manage text messages. Implementation is estimated to be complete August 31, 2022.
2019-0034 ISP	Agency-wide Protection of Confidential Information	<b>Outstanding for 2 years, and ISP indicates needed resources.</b> ISP research of email signature software continues to be on hold pending available resources.
2020-003 PTO	AG Audit of PTO Ad Valorem Tax Program	PTO indicates Florida Real Property Appraisal Guidelines, Classified Use Real Property Guidelines, Tangible Personal Property Guidelines, and the Cadastral Mapping Guidelines will be updated/completed by 12/31/22.



# Appendix B (cont.)

## Outstanding Corrective Actions as of June 30, 2022

Project # Program	Audit Name	Notes/Recommendations
21-1075 OFM	Agency Audit of Contracts	Ensure detailed and accurate reviews of contract files by enhancing checklists contract managers utilize while preparing documentation for contracts
2022-189 OFM	AG Financial Reporting and Federal Awards 2020-2021	Fiscal year-end reporting controls need improvements. OFM established a 7-step CAP and has completed 1 of 7.
2022-189 ISP	AG Financial Reporting and Federal Awards 2020-2021	Confidential Finding #1
2022-189 ISP	AG Financial Reporting and Federal Awards 2020-2021	Confidential Finding #2
2022-189 ISP	AG Financial Reporting and Federal Awards 2020-2021	Confidential Finding #3



# Appendix C

## Summary of Closed Internal Investigations for FY 2021-2022

Disposition	Project Number	Investigations Type
<b>Supported (11 Cases)</b>	18107	Stealing
	20120	Dishonesty
	20129	Confidentiality
	20156	Conduct Unbecoming
	20162	Computer, Internet, and Email Usage
	20171	Conflict of Interest
	21-10188	Confidentiality
	21-10342	Conflict of Interest-Personal and Financial Relationships and Department of Revenue Duties
	21-10388	Violation of Law, Rule, Policy or Procedure
	21-10397	Dishonesty
	21-10409	Protection and Use



# Appendix C (cont.)

## Summary of Closed Internal Investigations for FY 2021-2022

Disposition	Project Number	Investigations Type
<b>Referrals (25 Cases)</b>	21-10120	Conduct Unbecoming
	21-10127	Discourteous Behavior
	21-10142	Retaliation
	21-10168	Conduct Unbecoming
	21-10182	Conduct Unbecoming
	21-10186	Violation of Law, Rule, Policy or Procedure
	21-10187	Violation of Law, Rule, Policy or Procedure
	21-10209	Dishonesty-Making a False Statement
	21-10216	Discourteous Behavior
	21-10217	Discourteous Behavior
	21-10307	Confidentiality





# Appendix C (cont.)

## Summary of Closed Internal Investigations for FY 2021-2022

Disposition	Project Number	Investigations Type
<b>Referrals (25 Cases)</b>	21-10332	Dishonesty-Making a False Statement
	21-10336	Conduct Unbecoming
	21-10347	Conflict of Interest-Gifts and Honoraria
	21-10383	Conduct Unbecoming
	21-10389	Discourteous Behavior
	21-10390	Discourteous Behavior
	21-10393	Conflict of Interest-Personal and Financial Relationships and Department of Revenue Duties
	21-10394	Conflict of Interest-Personal and Financial Relationships and Department of Revenue Duties
	21-10415	Unauthorized Photographs and Recordings in the Workplace
	21-10418	Violation of Law, Rule, Policy or Procedure
	21-10432	Conflict of Interest



# Appendix C (cont.)

## Summary of Closed Internal Investigations for FY 2021-2022

Disposition	Project Number	Investigations Type
<b>Referrals (25 Cases)</b>	21-10449	Disruptive Conduct
	21-10464	Violation of Law, Rule, Policy or Procedure
	21-10489	Violation of Law, Rule, Policy or Procedure
<b>Insufficient (3 Cases)</b>	21-10325	Dishonesty-Falsification of Records
	21-10335	Confidentiality
	21-10348	Stealing
<b>Unsupported (6 Cases)</b>	20157	Discrimination and Harassment
	20158	Discrimination and Harassment
	20159	Conduct Unbecoming
	20166	Discrimination and Harassment
	20173	Confidentiality



# Appendix C (cont.)

## Summary of Closed Internal Investigations for FY 2021-2022

Disposition	Project Number	Investigations Type
<b>Unsupported (6 Cases)</b>	21-10150	Dishonesty-Falsification of Records
<b>No Action Required (24 Cases)</b>	20193	Violation of Law, Rule, Policy or Procedure
	20197	Conduct Unbecoming
	21-10122	Violation of Law, Rule, Policy or Procedure
	21-10135	Violation of Law, Rule, Policy or Procedure
	21-10136	Computer, Internet, and Email Usage
	21-10141	Retaliation
	21-10143	Political Activities
	21-10170	Conduct Unbecoming
	21-10171	Violation of Law, Rule, Policy or Procedure
	21-10172	Confidentiality



# Appendix C (cont.)

## Summary of Closed Internal Investigations for FY 2021-2022

Disposition	Project Number	Investigations Type
<b>No Action Required (24 Cases)</b>	21-10179	Confidentiality
	21-10215	Violation of Law, Rule, Policy or Procedure
	21-10297	Stealing
	21-10326	Stealing
	21-10328	Stealing
	21-10329	Stealing
	21-10330	Conflict of Interest-Gifts and Honoraria
	21-10331	Violation of Law, Rule, Policy or Procedure
	21-10337	Stealing
	21-10341	Stealing
	21-10362	Conflict of Interest-Personal and Financial Relationships and Department of Revenue Duties



# Appendix C (cont.)

## Summary of Closed Internal Investigations for FY 2021-2022

Disposition	Project Number	Investigations Type
<b>No Action Required (24 Cases)</b>	21-10365	Discrimination and Harassment
	21-10450	Solicitation/Distribution
	21-10455	Conflict of Interest-Gifts and Honoraria





# ANNUAL REPORT

## 2021-2022

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