



September 24, 2020

Mr. Richard Prudom, Secretary
Florida Department of Elder Affairs
4040 Esplanade Way
Tallahassee, Florida 32399

Ms. Melinda Miguel, Chief Inspector General
Office of the Governor
The Capitol, Suite 1902
Tallahassee, Florida 32399-0001

Dear Secretary Prudom and CIG Miguel:

In accordance with Section 20.055, Florida Statutes, I am pleased to submit the Office of Inspector General's Annual Report for Fiscal Year 2019-2020 to highlight the major work efforts and activities of my office.

We remain committed in our work with Departmental management and staff to promote public integrity through professional, ethical, and timely audits and investigations, as well as provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. Thank you for your continued support of our efforts.

Sincerely,

Taroub J. Faraj
Inspector General

Enclosure

TJF/kj

cc: Sherrill F. Norman, Auditor General

FLORIDA DEPARTMENT OF ELDER AFFAIRS



OFFICE OF THE INSPECTOR GENERAL

ANNUAL REPORT

2019-2020



RON DESANTIS
Governor

RICHARD PRUDOM
Secretary

TAROUB J. FARAJ
Inspector General

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DEPARTMENT BACKGROUND

The Department of Elder Affairs (Department/DOEA) is the designated State Unit on Aging, in accordance with the federal Older Americans Act and Chapter 430, Florida Statutes (F.S.). DOEA works in concert with federal, state, local, and community-based public and private agencies and organizations to represent the interests of older Floridians, their caregivers, and elder advocates.

The Department provides most direct services through its Division of Statewide Community-Based Services, which works through the state's eleven Area Agencies on Aging (AAAs) and local service providers to deliver essential services to a vital segment of the population. The Department also directly administers a wide range of programs, ranging from the Long-Term Care Ombudsman Program, Office of Public and Professional Guardians, and the Livable Florida Initiative to SHINE (Serving Health Insurance Needs of Elders) and CARES (Comprehensive Assessment and Review for Long-Term Care Services).

The Department recognizes that individuals age differently, and therefore the state's residents do not each need the same kind of care or services as others the same age. Some individuals may suffer from chronic conditions that began long before they reached age 60, while others may be able to live their entire lives without ever needing long-term medical or social services. One of the Department's highest priorities is reducing the need for many elders to be placed in nursing homes and other long-term care facilities.

Ultimately, the goal is to efficiently use resources to ensure that the greatest number of elders possible get to spend their golden years living healthy, active, and fulfilling lives in their communities.¹

¹ Overview of the Department as reflected in the 2019 Summary of Programs and Services and on the Department's public website.

INTRODUCTION

Within the Department, the Office of Inspector General (OIG) is an essential component of executive direction that provides independent, objective assurance and consulting services designed to add value and improve agency operations. The OIG also provides a central point for coordination of, and responsibility for, activities that provide accountability, integrity, and efficiency in government. Section 20.055, F.S., requires that each Governor's Agency Inspector General (IG) submit to the Department Secretary and Chief Inspector General (CIG) an annual report, no later than September 30 of each year, summarizing its activities during the preceding state fiscal year (FY). This report includes, but is not limited to the following:

- a summary of audit engagements and investigations completed during the reporting period;
- a description of abuses and deficiencies relating to the administration of programs and operations of the Department disclosed by audits, reviews, investigations, or other accountability activities during the reporting period; *and*
- recommendations for corrective action made by the OIG during the reporting period with respect to significant problems, abuses, or deficiencies identified.

This report is presented to the Secretary and CIG in accordance with the statutory requirements to demonstrate how the OIG accomplished its mission during FY 2019-20.

OIG'S MISSION STATEMENT



To promote public integrity through professional, ethical, and timely audits and investigations.

INSPECTOR GENERAL RESPONSIBILITIES

Through independent audits, investigations, and other accountability activities, the OIG promotes economy and efficiency to prevent, deter, and detect fraud or abuse in programs and operations carried out or financed by the Department. According to Section 20.055, F.S., it is the duty and responsibility of each IG, with respect to the state agency in which the office is established, to:

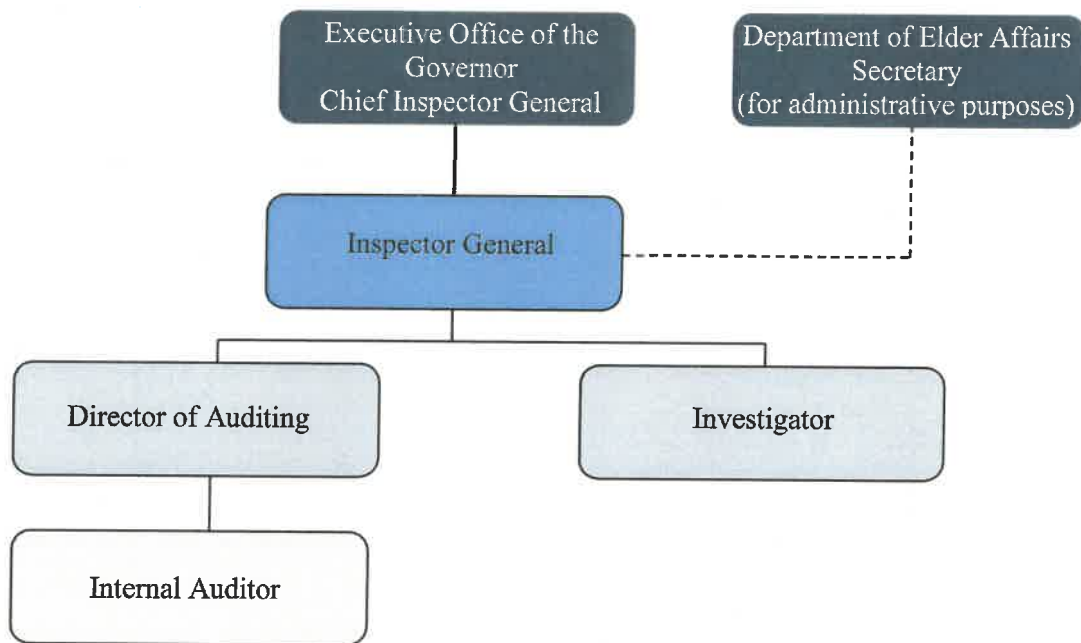
- advise in the development of performance measures, standards, and procedures for the evaluation of the Department's programs;
- assess the reliability and validity of the information provided by the Department on performance measures and standards and make recommendations for improvement, if necessary;
- review actions taken by the Department to improve program performance and meet program standards, and make recommendations for improvement, if necessary;
- provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the Department;
- conduct, supervise, or coordinate other activities carried out or financed by the Department 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 Secretary and CIG informed concerning fraud, abuse, and deficiencies relating to programs and operations administered or financed by the Department; recommend corrective action; and report on the progress made in implementing corrective actions;
- review, as appropriate, rules relating to the programs and operations of the Department and make recommendations concerning their impact;
- maintain an appropriate balance between audit, investigative, and other accountability activities;
- monitor the implementation of the Department's response to external audits;
- receive complaints and coordinate Department activities as required by the Whistle-blower's Act and/or the CIG; and
- ensure effective coordination and cooperation between the State of Florida Auditor General (AG), other governmental bodies, and federal auditors with a view toward avoiding duplication.

ORGANIZATIONAL STRUCTURE

The IG is under the general supervision of the Department's Secretary but functionally reports to the CIG in the Executive Office of the Governor. OIG staff have full, free, and unrestricted access to all Departmental activities, records, data, and property, and may request any other information deemed necessary to conduct audits or investigations as needed. This reporting structure and unrestricted access ensure audits, investigations, and other accountability activities are independent and that results are communicated in accordance with professional standards.

DOEA's OIG is organized into two sections: Internal Audit and Investigations. Due to the small size of the OIG, staff may assist one another in conducting audits and investigations.

To carry out its duties and responsibilities, as of June 30, 2020, the OIG consisted of four professional positions as reflected in the following organizational chart:



STAFF QUALIFICATIONS

Collectively, OIG staff have backgrounds and experiences in a variety of disciplines in the public and private sectors. These disciplines include accounting, auditing, management, law enforcement, and communications. Staff possess professional certifications and participate in several professional organizations. Below is a list of professional certifications and affiliations maintained by staff members:

- Certified Inspector General (1)
- Certified Inspector General Evaluator (1)
- Certified Government Auditing Professional (1)
- Certified Inspector General Auditors (3)
- Certified Inspector General Investigators (3)
- Certified Law Enforcement Officer (1)
- Employees who provide Notary Public Services (2)



Professional Organization Affiliations

- Association of Inspectors General (AIG)
- Institute of Internal Auditors (IIA)
- Florida Chapter, Association of Inspectors General
- Tallahassee Chapter, Institute of Internal Auditors
- Association of Government Accountants (AGA)
- Commission for Florida Law Enforcement Accreditation, Inc. (CFA)
- National Association of Women Law Enforcement Executives (NAWLEE)

OIG staff keep abreast of trends in internal auditing and investigations to maintain professional proficiency through membership in these professional organizations. Required training hours are obtained through participation in conferences, webinars, and attendance in relevant trainings or through continued professional education programs.

MAJOR ACTIVITIES

To carry out its mission, the OIG conducts internal audits and investigations.

INTERNAL AUDIT SECTION



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The Internal Audit Section (IA) helps the Department accomplish its objectives by providing management with independent and objective audits, reviews, and consultations regarding risk management, governance, and control processes. IA staff evaluate the reliability and integrity of operational information, as well as compliance with laws, policies, and procedures. Analyses, appraisals and recommendations related to audits or reviews of program areas and processes are furnished to management and other Department employees to assist them in effectively managing their areas of responsibility.

The responsibilities of the IA are to:

- conduct **performance audits** to ensure the effectiveness, efficiency, and economy of the Department's programs;
- assess the reliability and validity of information provided by the Department on **performance measurements** and standards;
- conduct **compliance audits** to ensure that the Department's programs are following prescribed statutes and rules;

- provide **management assistance services** that involve consulting and advising management on Departmental policies and procedures and the development of performance measures; and
- coordinate **audit responses** and conduct **audit follow-ups** to findings and recommendations made by the AG, the Office of Program Policy Analysis and Government Accountability (OPPAGA), internal audits, and other oversight agencies.

Internal audit activities are conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*, published by the IIA.

Final communication of audit engagement results, including objectives, scope, conclusions, and recommendations, if applicable, are distributed to the Department Secretary, appropriate DOEA management, and other oversight agencies.

INVESTIGATIONS SECTION



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The Investigations Section (IS) is responsible for management and operation of administrative investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses involving Department employees, contractors, and vendors. Additionally, the IS receives complaints from many sources including external customers, Department employees, senior leadership, the Whistle-blower's Hotline, Chief Financial Officer's Get Lean Hotline, State Attorney General's Office, and the Office of the Chief Inspector General.

Inquiries and complaints received by the IS are reviewed and assigned a specific case type as described below:

- **Investigation** – A formal process by which information and evidence is obtained relevant to allegations, complaints, or violations posed or suspected.
- **Management Review** – Formal review of an issue that is possibly systemic in nature or of a specific program area to determine whether it is operating within accepted, written procedures or contract. This may be initiated in response to a complaint or expressed concerns that do not name a specific subject or at the request of management as a tool for program improvement.
- **Preliminary Inquiry** – An examination conducted based on limited information to verify the veracity of a complaint or allegation. The inquiry should determine if evidence is available to indicate the need for a complete investigation.

- **Referral** - Action whereby the OIG forwards a complaint to management, another agency (if the subject is out of the OIG's jurisdiction), or law enforcement (for criminal violations) for handling or necessary action.

In an administrative investigation, preponderance of the evidence is the standard of proof used to support a finding. "Under the preponderance standard, the burden of proof is met when the party with the burden convinces the factfinder that there is a greater than 50% chance that the claim is true." (www.law.cornell.edu).

Once an investigation is completed, final disposition is presented in an investigative report, which also contains the allegations made in the complaint and classified subsequent to a conclusion of facts, based on a thorough and competent investigation as follows:

- **Unfounded** – The complaint was not supported with facts or evidence.
- **Not Sustained** – There is insufficient proof to confirm or refute the allegation(s).
- **Sustained** – The allegation is true. The action of the Department or the employee was inconsistent with Departmental policy.

Investigations are conducted in accordance with the standards set forth in the *Principles and Standards for Offices of Inspector General*, published by the AIG, and those established by the CFA. Investigative reports are distributed to the Department's Secretary and appropriate DOEA management. Additionally, when allegations are sustained, the OIG provides the necessary facts to management to assist them in deciding appropriate disciplinary actions.



Investigations Section Accreditation

Since obtaining initial accreditation in 2017, the Investigations Section remains in compliance with the standards set forth by the CFA. In addition to annual reports of compliance, the Investigations section is assessed by trained accreditation assessors every three years to ensure compliance with CFA Standards. The OIG was assessed for reaccreditation on July 17, 2020.

SUMMARY OF ACTIVITIES AND ACCOMPLISHMENTS

In accordance with Section 20.055(2)(i), F.S., the IG ensures that an appropriate balance is maintained among audits, investigations, and other accountable activities. Table 1 provides a summary of the audit and investigations' activities performed during FY 2019-20:

Summary of Audit and Investigations Activities

Activities	Number
Complaints Received	93
Internal Audits Completed	2
Management Review	2
Investigations Closed	2
Follow-up Audits Completed	3
Public Records Requests	2
Performance Measures Reviewed	0*
Recommendations Followed-Up On	8

Table 1

* Note: A performance measure audit was initiated but suspended to complete a project at the request of the Department's Secretary.

The following summaries are the results of audits and investigations completed during the fiscal year:

AUDIT ENGAGEMENTS

A-1819DEA-024: Audit of the Department of Elder Affairs' (DOEA) Invoice Payment Process

Audit staff determined internal controls in the invoice payment process were adequate and effective. Staff also noted, in general, invoices were processed in compliance with authoritative guidelines and payments were timely and accurately processed, and properly supported. However, two issues, related to Information Technology Access Controls (user access) to MyFloridaMarketPlace (MFMP), were identified that warranted management's attention:

Finding 1: There was no evidence the MFMP accounts for 26 former employees were inactivated upon their separation.

Recommendation: Bureau of Contract Administration and Purchasing (BCAP) management implement a process to conduct periodic reviews of MFMP accounts to ensure inactivation upon separation and continued appropriateness.

Finding 2: The profile for the role of Invoice Manager contained an incompatible group assignment in the MFMP invoice approval flow.

Recommendation: BCAP management revise the profiles for the role of Invoice Manager to ensure the proper segregation of duties.

A-1920DEA-019: Audit of the DOEA's Payroll Processing

Audit staff determined Payroll and Leave Without Pay (LWOP) are processed in accordance with authoritative guidelines. However, one finding was identified that warranted management's attention:

Finding 1: The Bureau of Human Resources (HR) does not have current written internal procedures for the Payroll functions related to timesheet reviews; overpayment calculations; On-Demand payments and leave payouts for separated employees.

Recommendation: HR management develop written internal procedures for payroll functions related to the review of timesheets; overpayment calculations resulting from LWOP; On-Demand payments; and leave payouts. Also, incorporate controls whereby changes made by HR staff to employee timesheets are recorded in an exception report and reviewed by HR management and/or designee.

M-1920DEA-013: Management Review of the Office of Public and Professional Guardians' (OPPG) Investigations and Guardian Registration Processes

Audit staff identified several effective internal controls in both processes; however, four findings were identified that warranted management's attention:

Finding 1: The OPPG Investigations process contains internal control weaknesses and inefficiencies.

Finding 2: There were instances of untimely referrals of complaints to the Clerk² by OPPG.

Finding 3: The Professional Guardianship Registration process contains internal control weaknesses.

Finding 4: Some areas of the Memorandum of Understanding between OPPG and the Clerk are contradictory, inconsistent, or outdated.

Recommendation: Multi-part recommendations were made to address the issues.

² The Clerk of the Circuit Court of Lake County and the Clerks & Comptrollers for Palm Beach, Pinellas, Okaloosa, Lee, and Polk Counties (collectively, referred to as the "Clerk").

S³-1920DEA-016: DOEA's OIG FY 2018-2019 Annual Report

S-1920DEA-027: DOEA'S OIG FY 2020-21 Annual Risk Assessment

COORDINATION OF EXTERNAL AUDITS

During the fiscal year, IA provided coordination services for the following external projects:

E-1819DEA-020: Florida Department of Economic Opportunity Low-Income Home Energy Assistance Program Monitoring Engagement

E-1819DEA-026: United States Department of Agriculture's Management Evaluation of the Senior Farmer's Market Nutrition Program for Fiscal Year 2018

E-1920DEA-026: State of Florida AG 2020 Information Technology (IT) Survey

E-1920DEA-024: Department of Management Services, Division of State Technology 2020 Compliance Assessment of Florida Administrative Code Chapter 60GG-1

Reports from these engagements contained 1 recommendation to which DOEA responded.

FOLLOW-UP TO INTERNAL AND EXTERNAL AUDITS

IA conducted the following follow-up audits:

A-1819DEA-018: Six-Month Follow-up to the Audit of IT Access Controls related to the Client Information & Registration Tracking System (CIRTS)

A-1819DEA-018: Twelve-Month Follow-up to the Audit of IT Access Controls related to CIRTS

These follow-up audits revealed managements from the Bureau of Information Technology (BIT) and Division of Statewide Community-Based Services have taken corrective actions that partially address the recommendations; therefore, further follow-up is warranted.

A-1819DEA-024: Six-Month Follow-up to the Audit of DOEA's Invoice Payment Process

³ "S" numbers are used to document assignments that are designated as "special projects."

The follow-up audit revealed BCAP has taken to corrective action that partially address the recommendations; therefore, further follow-up is warranted.

INVESTIGATIONS

The IS completed the following investigations during the fiscal year:

I-1920DEA-014: A state agency's OIG requested from the DOEA OIG investigative assistance with an internal complaint against one of its employees. An investigation was conducted, and two allegations were sustained.

I-1920DEA-021: Allegations of misconduct were made against an employee by another employee. An investigation was conducted. One allegation was sustained, and one was not sustained.

S-1920DEA-017: A state law enforcement agency requested assistance from the DOEA OIG regarding a criminal case.

PRELIMINARY INQUIRIES

Like investigations, inquiries may be initiated as a result of information from state employees, private citizens, federal agencies, legislators, the Department Secretary, the CIG, or any other person with concerns about the integrity of the Department's operations, contractors, or employees. Of 93 complaint intakes, investigations staff assigned 6 preliminary inquiry numbers. Of those preliminary numbers, 11 intakes were assigned more than one umbrella case number⁴ due to overlaps in complaint categories.

P-1920DEA-006: This number was created as an umbrella case number to document DOEA management's requests for assistance. There were 21 instances where internal management requested assistance or advice from the OIG.

P-1920DEA-007: This number was created as an umbrella case number to document incidents of loss/theft of state property, currency, or other suspicious activities within DOEA headquarters (HQ) and field offices throughout the state for tracking purposes or possible employee

⁴ An umbrella case number is used to document multiple incidents of similar issues or multiple complaints against a specific program area.

investigation by the OIG. Three (3) instances were reported to the OIG and DOEA General Services Office. These cases were also reported to local law enforcement.

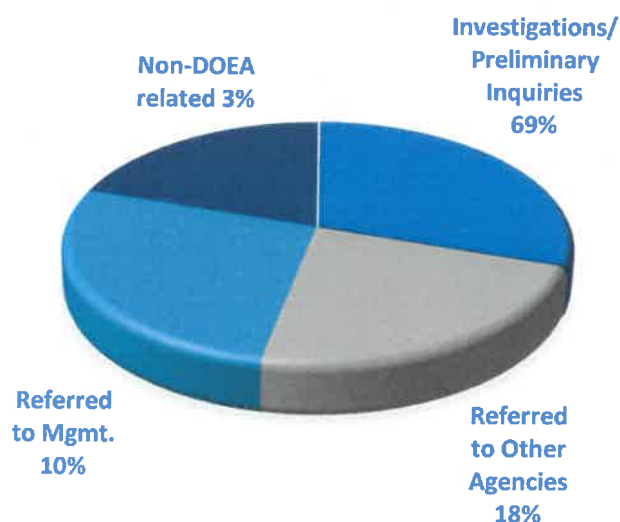
P-1920DEA-008: This number was created as an umbrella case number to document incidents of Health Insurance Portability and Accountability Act (HIPAA) and Protected Health Information (PHI) violations including IT breaches. There were 2 incidents reported to the OIG. One involved the spoofing of email addresses and phone numbers at an Area Agency on Aging and another intake was related to phishing calls to elders around the state. Both issues were addressed with the support of the BIT.

P-1920DEA-015: This number was created as an umbrella case number to document incoming complaints related to public and professional guardians. Twenty (20) complaints were received by the OIG and referred to the DOEA OPG for legal sufficiency reviews.

P-1920DEA-028: This number was created as an umbrella case number to document Coronavirus (COVID-19) related complaints. Seventeen (17) complaint intakes were received by the OIG from the public pertaining to family members in nursing homes or adult living facilities regarding the level of care and/or unsafe Coronavirus practices in the facilities. These intakes were referred to the appropriate DOEA office or other state agency for review and appropriate action.

P-1920DEA-018: Management was concerned a contract with one of its divisions was questionable; however, no issues were identified.

OTHER OIG ACTIVITIES



COMPLAINT RESOLUTIONS

Complaint Intakes

During the year, the OIG received 93 complaints or requests for assistance from various sources. Examples of complaints included:

- Employee misconduct
- Guardianship issues
- Non-DOEA OIG related issues, i.e., complaints against clerks of courts, private companies, private nurses
- Subcontractor issues

ANNUAL RISK ASSESSMENT

The OIG performs an annual risk assessment of Department activities to ensure their services provide the most benefit to the Department. This ensures those activities with the greatest risks are identified and scheduled for review and that the OIG is responsive to management concerns.

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

On an annual basis, audit staff prepare the *Schedule IX: Major Audit Findings and Recommendations* for the Department's Legislative Budget Request. The Schedule IX informs decision-makers about major findings and recommendations made in AG and OIG audit reports issued during the current and previous fiscal years. It also provides information on the status of action taken to correct reported deficiencies.

OUTREACH AND EDUCATIONAL ACTIVITIES

During FY 2019-20, OIG staff participated in the following outreach and educational activities:

- Staff engaged in numerous fraud-related outreach and educational activities. They conducted in-person training presentations on fraud prevention and awareness for employees located at DOEA HQ. The presentation was also posted on the Department's SharePoint site for mandatory annual training for new employees and employees working in DOEA field offices.
- Staff created several fraud awareness and prevention resources, including the OIG annual newsletter. Holiday shopping tips were distributed to DOEA employees statewide and the 11 AAAs in November and December 2019. Staff also contributed articles to DOEA's internal monthly newsletter and bimonthly newspaper, *Elder Update*, which is distributed electronically and via U.S. mail to approximately 50,000 Florida seniors as well as businesses, advocates, law enforcement agencies and the AAAs.
- The OIG is a member of the Big Bend Fraud Task Force, which is comprised of members of local law enforcement agencies, financial institutions, lawyers, and state agencies. As members, staff attend monthly meetings to discuss current trends related to fraud.

SUMMARY OF ACCOMPLISHMENTS



Association of Inspectors General (AIG) 2020 Winter Institute

In March 2020, IG Taroub J. Faraj and Internal Audit Director Kimberly “Kim” Jones attended the AIG’s 2020 Winter Inspectors General Institute in Jacksonville, FL. The institute offers courses for designations as a Certified Inspector General, Certified Inspector General Auditor, Certified Inspector General Investigator (CIGI), and a Certified Inspector General Inspector/Evaluator (CIGE). IG Faraj and Kimberly Jones attended courses for the CIGE and CIGI designations, respectively. After the week-long training, attendees took an examination to obtain certification in their respective areas. IG Faraj is now a CIGE and Kim Jones is a CIGI with the OIG.



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