

ANNUAL FISCAL YEAR 2020-21 REPORT

OFFICE OF INSPECTOR GENERAL

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TABLE OF CONTENTS

Department Background	3	Complaint Intake Process	8
Introduction.....	3	Highlight of Activities and Accomplishments.....	9
Inspector General Responsibilities.....	4	Audit Engagements.....	9
OIG’s Mission Statement.....	4	Investigations	10
Organizational Structure.....	5	Other OIG Activities	13
Staff Qualifications	5	OIG Accomplishments	13
Major Activities.....	6		
Internal Audit Section	6		
Investigations Section.....	7		

Department Background

The Florida Department of Elder Affairs (Department/DOEA) works to help Florida's elders remain healthy, safe, and independent. DOEA was constitutionally designated by Florida voters to "serve as the primary state agency responsible for administering human services programs for the elderly" (Section 430.03, Florida Statutes (F.S.)).

DOEA is responsible for developing policy recommendations for long-term care, combating ageism, creating public awareness of aging issues, understanding the contributions and needs of elders, advocating on behalf of elders, and serving as an information clearinghouse.

DOEA is the designated State Unit on Aging, in accordance with the federal Older Americans Act and Chapter 430, 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 organizations and providers that help create a better life for Florida's 5.5 million seniors make up Florida's Aging Network. An important part of the Aging Network is the 11 Area Agencies on Aging (AAAs), also called Aging and Disability Resource Centers (ADRCs), that provide a wide range of programs and assistance. Each AAA is managed at the local level and is responsible for selecting the services and providers to assist elders within each county. Through partnership with the AAAs, DOEA provides community-based care to help seniors safely age with dignity, purpose, and independence.¹

Introduction

The DOEA 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 programs and operations. The OIG also provides a central point for coordination of, and responsibility for, activities that provide

accountability, integrity, and efficiency in government as shaped by legislative requirements and adherence to professional standards, e.g. International Standards for the Professional Practice of Internal Auditing (Standards), published by the Institute of Internal Auditors, Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General, and those established by the Commission for Florida Law Enforcement Accreditation, Inc. (CFA).

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 is presented to the Secretary and CIG in accordance with the statutory requirements to demonstrate how the OIG accomplished its mission during FY 2020-21. It 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.

In March 2020, due to the Coronavirus (COVID-19) Pandemic, the OIG's physical workplace was closed and staff were permitted to telework in performing OIG operations. The pandemic did not affect the OIG's mission, the dedication of its staff or its commitment to our stakeholders as demonstrated by staff's ability to quickly adapt using technology, i.e., laptops, to work remotely and attend professional training classes online.

¹ General overview of the Department and Aging Network as provided in the DOEA 2020 Summary of Programs and Services.

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;

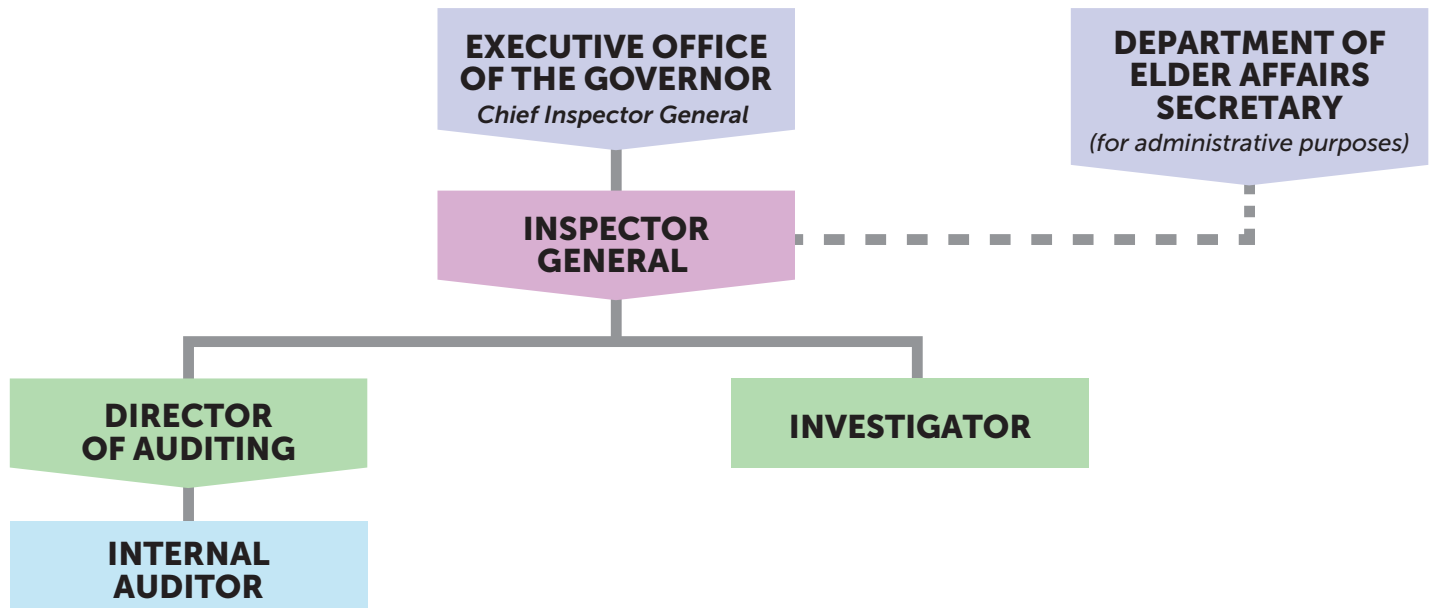


- review, as appropriate, rules relating to the programs and operations of the Department and make recommendations concerning their impact;
- maintain an appropriate balance between audit, investigative, and other accountability activities;
- monitor the implementation of the Department's response to 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.

OUR MISSION

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

ORGANIZATIONAL CHART



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. The 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 carries out its mission through two operating components: internal audits and investigations. Due to the small size of the office, staff may assist one another in conducting these operations. As of June 30, 2021, the OIG was comprised of 4 professional positions as reflected in the following organizational chart:

Staff Qualifications

Collectively, OIG staff have 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 the certifications, affiliations, and an advanced degree maintained by staff members:

CERTIFICATIONS

- Certified Inspector General (1)
- Certified Inspector General Evaluator (1)
- Certified Government Auditing Professional (1)
- Certified Inspector General Auditors (2)
- Certified Inspector General Investigators (3)
- Certified Law Enforcement Officers (2)
- Staff who provide Notary Public Services (2)
- Florida Certified Contract Managers (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)

ADVANCED DEGREE

- Master of Arts in Human Services Administration

OIG staff keep abreast of trends in internal auditing and investigations to maintain professional proficiency through membership in these professional organizations. Required training hours were obtained through virtual participation in trainings, webinars, and other professional education programs.

Major Activities

As described below, the Internal Audit and Investigations Sections work to carry out the mission of the OIG:

Internal Audit Section

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 Standards published by the IIA.

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

Investigations Section

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.

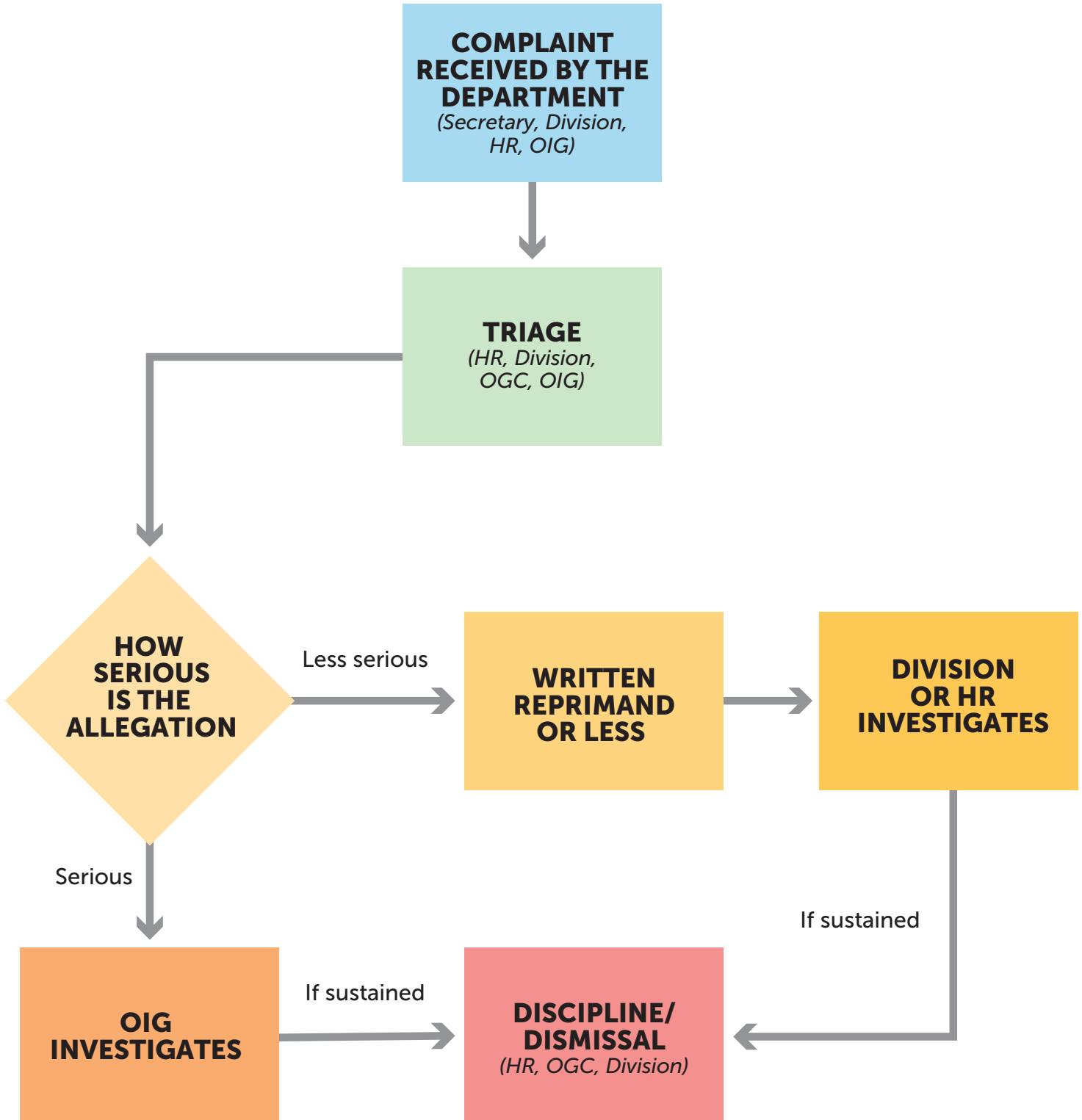
Investigations are conducted in accordance with the standards set forth in the Principles and Standards for Offices of Inspector General, published by the AIG, and those established by the CFA. Investigative reports are distributed to the Department's Secretary and appropriate DOEA management. Additionally,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

Investigations Section CFA 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 and reaccredited on October 15, 2020.



COMPLAINT INTAKE PROCESS



Highlight of Activities and Accomplishments

While the COVID-19 Pandemic inadvertently created new risks for fraud, the OIG maintained its commitment to preventing, detecting, and deterring fraud, waste, and abuse through an appropriate balance of audits, investigations, and other accountability activities. At-a-Glance, the table below provides a total of the activities completed during FY 2020-21:

Accountability Activities At-A-Glance

Activities	Number
Complaints Received	65
Internal Audits Completed	1
Management Review	0
Investigations Closed	1
Follow-up Audits Completed	7
Public Records Requests	2
Performance Measures Reviewed	1
Recommendations Followed-Up On	19
Identified Unallowable/Unsupported Expenditures	\$1,595,800

Results of the completed audits and investigations are summarized as follows:

Audit Engagements

A-1920DEA-030 *Audit of the Division of Statewide Community-Based Performance Measure, Percentage of Active Clients Eating Two or More Meals per day*

Audit staff found internal controls exist to ensure the reliability and validity of the reported metric. Therefore, no findings and recommendations were presented.

S-1920DEA-027 FY 2020-21 Annual Risk Assessment

S-2021DEA-016 FY 2019-20 OIG Annual Report

S-2021DEA-020 CIG Agency Readiness Assessment

S-2021DEA-029 FY 2020-21 Internal Quality Assessment Review

Audit staff identified workpaper documents that were referenced in the Integrated Internal Audit Management System (IIAMS)², but had not been uploaded to the system. Upon notification, OIG management took immediate action to upload the missing documents. Overall, the review provided reasonable assurance the internal audit activity generally conformed with the Standards and complied with provisions of Section 20.055, F.S.

Coordination of External Audits

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

E-1920DEA-023 United States Department of Labor (US DOL) Senior Community Services Employment Program (SCSEP) Monitoring

E-2021DEA-017 Department of Financial Services' Schedule of Expenditures of Federal Awards

E-2021DEA-022 US DOL Program Year 2020 SCSEP Monitoring – Alachua County

E-2021DEA-023 Auditor General IT Survey 2021

S-1920DEA-025 Executive Office of the Governor Executive Order 20-44 Request

Reports from these engagements contained 4 recommendations to which DOEA responded.

² IIAMS - a network application developed by the Department of Children and Families that enables documenting, reviewing, storing, and sharing of work performed by internal audit staff. Documents prepared in Microsoft Word, Excel, and other applications can be incorporated for inclusion in permanent working papers.

Follow-Ups to Internal and External Audits

The IA Section completed the following follow-up audits:

A-1819DEA-018 18-Month Follow-up to the Audit of Information Technology (IT) Access Controls related to the Client Information & Registration Tracking System

A-1819DEA-024 12-Month Follow-up to the Audit of DOEA's Invoice Payment Process

A-1920DEA-019 6-Month Follow-up to the Audit of DOEA's Payroll Processing

A-1920DEA-019 12-Month Follow-up to the Audit of DOEA's Invoice Payment Processing

E-1819DEA-022 6-Month Follow-up to the Auditor General's DOEA Office of Public and Professional Guardians and Selected Administrative Activities Operational Audit

M-1920DEA-013 6-Month Follow-up to the Management Review of the Office of Public and Professional Guardians' (OPPG) Investigations and Guardian Registration Processes

M-1920DEA-013 12-Month Follow-up to the Management Review of the Office of Public and Professional Guardians' (OPPG) Investigations and Guardian Registration Processes

Investigations

While no new investigations were undertaken, due to its complexity, one long-term investigation from FY 2016-17 was concluded during the fiscal year.

I-1617DEA-039 Between October 4, 2016, and February 15, 2017, the DOEA OIG received multiple complaints regarding a possible breach of contract between a provider and an AAA, among other operational concerns. Since DOEA is the pass-through agency providing state and federal funds



to AAAs for provider contracts for services to the elderly, the OIG engaged a forensic accounting firm to assist with a review of complaints concerning the misuse of grant funds.

At the conclusion of the investigation, there were 21 findings issued in relation to the provider's and AAA's activities for a 5-year period between 2012 and 2017. Four of those findings identified invoicing by the provider for services that totaled almost 1.6 million dollars of overbilled, unallowable, unsupported, and duplicated charges. The provider and AAA were unable to provide the OIG with additional records and documents to support the overbilled, unallowable, unsupported, and duplicated charges.

The OIG consulted with the Florida Department of Law Enforcement and the jurisdictional state attorney's office. While the investigation and report "revealed extremely poor record keeping, wasted resources, ...", "the board of directors are not acting in the best interest of the charity, but rather in the interests of certain board members.", and "the six (6) year delay has negatively impacted the State's ability to collect relevant evidence," no charges were filed. As a result, the OIG recommended DOEA seek reimbursement from the provider along with multiple recommendations for improved efficiencies in contract management, identification of high-risk providers, and stronger internal controls, to name a few.

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 65 complaint intakes during the fiscal year, investigations staff assigned 6 preliminary inquiry numbers. Of those preliminary numbers, 6 intakes were assigned more than 1 umbrella case number³ due to overlaps in complaint categories.

P-2021DEA-009 This number was created as an umbrella case number to document complaints related to the COVID-19 pandemic. Most of the complaints involved family members not being able to visit residents staying in nursing homes or adult living facilities. There were 8 complaints documented.

P-2021DEA-010 This number was created as an umbrella case number to document DOEA management's requests for assistance or information sharing with the OIG. There were 16 instances where internal management communicated with the OIG on employee matters, etc.

P-2021DEA-011 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 and field offices throughout the state for tracking purposes or possible employee investigation by the OIG. Two instances were reported to the OIG and DOEA General Services Office. These cases were also reported to local law enforcement.

P-2021DEA-012 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 events. There were 4 incidents reported to the OIG, which were handled by DOEA's Bureau of Information Technology.

P-2021DEA-014 This number was created as an umbrella case number to document incoming complaints related to public and professional guardians. Eleven complaints about guardians were received by the OIG and referred to DOEA's Office of Public and Professional Guardians for legal sufficiency reviews.

P-2021DEA-015 This number was created as an umbrella case number to document incoming complaints about nursing homes' or adult living facilities' treatment of residents, etc. Five complaints were received. The complaints were referred to the Long-Term Care Ombudsman Program for follow up and review. In some instances, the complaints were also referred to the Agency for Health Care Administration and the Department of Children and Families' Adult Protective Services, as appropriate.

³ An umbrella case number is used to document multiple incidents of similar issues or multiple complaints against a specific program area.

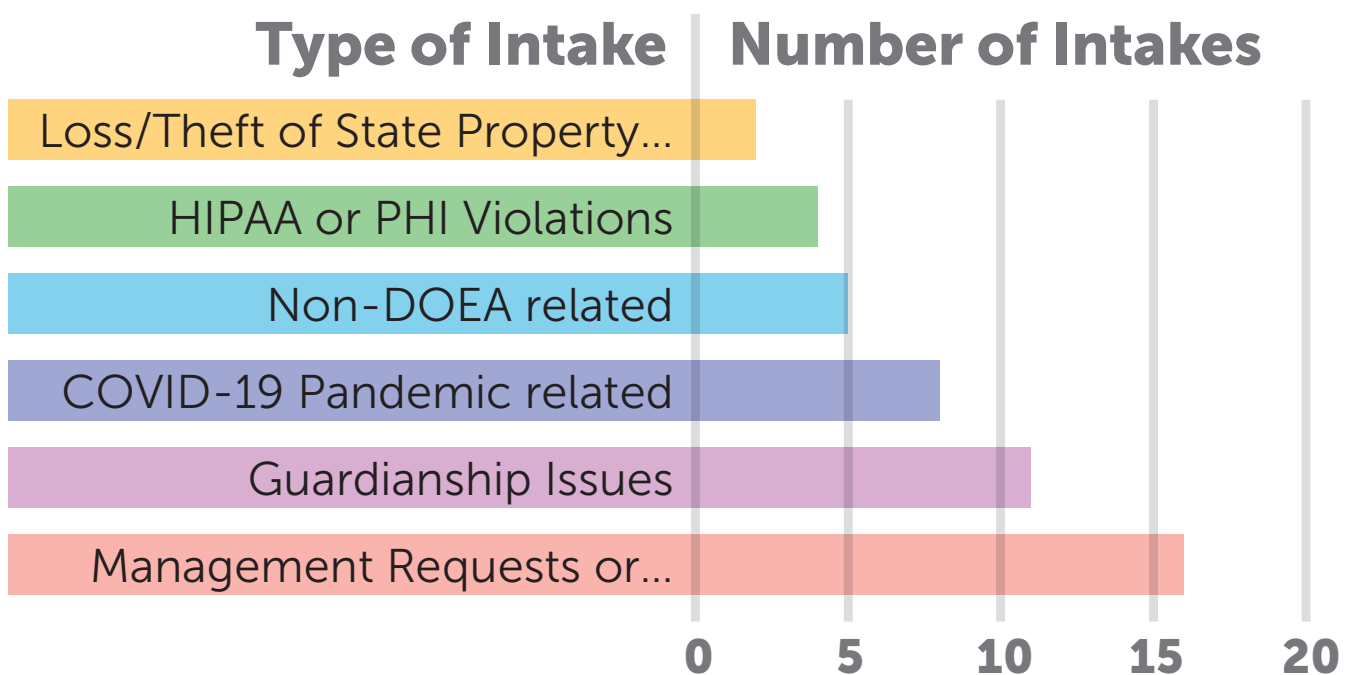
Complaint Resolutions

During the year, the OIG received 65 complaints or requests for assistance from various sources. Those received pertained to:

- Loss/Theft of State Property or Other Suspicious Activities
- HIPAA or PHI Violations
- Non-DOEA related issues
- COVID-19 Pandemic
- Guardianship issues
- Management Requests for Assistance or Information Sharing with the OIG



COMPLAINT RESOLUTIONS



Other OIG Activities

Annual Risk Assessment

The OIG performed 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 Education

During FY 2020-21, OIG staff participated in the following outreach and educational activities:

- The Inspector General and staff collaborated with DOEA's Office of Communications staff to modify the OIG webpage on the agency website. For the general public, the website now provides contact information for the OIG as well as information on how to file a complaint and the organizational structure of the OIG. In addition, through collaboration with the Bureau of Information Technology, an OIG email address was created; whereby, DOEA employees and the public can communicate or file a complaint directly with the OIG.
- Staff created several fraud awareness and prevention resources. In recognition of International Fraud Awareness Week, November 15 – 21, 2020, the OIG published its annual fraud newsletter that highlighted fraud awareness and prevention during the ongoing COVID-19 Pandemic.

- Staff produced a PowerPoint presentation that educated DOEA employees on what comprises internal fraud in an organization, how to recognize it, and how to report it.
- Staff published the following articles in DOEA's Elder Update magazine, 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:
- "Stay Alert for COVID-19 Scams" (October 2020 edition).
- "OIG Achievement" which highlighted the OIG's first reaccreditation with the CFA in October 2020 (February 2021 edition).
- 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. However, due to the COVID-19 pandemic, meetings were temporarily suspended.

OIG Accomplishments

- In October 2020, the OIG was awarded its first reaccreditation with the CFA.
- In April 2021, Director of Internal Audits, Kimberly Jones, obtained a Master of Arts in Human Services Administration degree from Southeastern University in Lakeland, Florida.



OFFICE OF INSPECTOR GENERAL

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