

DEPARTMENT OF CHILDREN AND FAMILIES
OFFICE OF INSPECTOR GENERAL



Internal Audit Work Plan
Fiscal Year 2020-2021



July 22, 2020

INTRODUCTION

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

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

METHODOLOGY

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

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

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

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

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

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

⁴ According to Resource Management Performance Standard 2030, the chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan (*International Standards for the Professional Practice of Internal Auditing*, Revised Standards, Effective January 1, 2017).

⁵ 1,400 direct hours = 2,080 hours per full time equivalent position minus leave, holidays, training, and administrative time. Hours may fluctuate depending on available staff. Internal Audit has five authorized, internal audit positions.

ANNUAL WORK PLAN

Based on the results of our risk assessment, the following table depicts our projected annual work plan for fiscal year (FY) 2020-2021. This plan incorporates management's current priorities as identified during the risk assessment process. A brief description of topics follows.⁶ Additionally, our long-term work plan is included in the Appendix.

A significant portion of the work plan includes carryover projects from FY 2019-2020, during which a substantial number of unplanned audit hours were allocated to ongoing review and analysis of records pertaining to the Florida Coalition Against Domestic Violence, the former contracted provider for domestic violence services.

ANNUAL WORK PLAN BASED UPON 6,800 AVAILABLE AUDIT HOURS					
Risk Item	Project Title	Risk Score	Hours Estimate	Office or Program	Program or Unit
N/A	Carryover Projects	N/A	4,120	Various	Various
N/A	Post-Audit Sampling of Department Payments	N/A	440	Administration	General Services
N/A	Performance Measures	N/A	440	Administration	Contracted Client Services
DCF-298	SAMH Recovery Residences (Sober Homes) Licensing	18.40	600	Substance Abuse and Mental Health	Substance Abuse Licensing
DCF-302	Contractor Accountability - Contract Management Processes	17.80	600	Administration	Contracted Client Services
DCF-289	Allowable Costs in Fixed Price Contracts	16.0	600	Administration	Contracted Client Services
			<u>6,800</u>		

One of the five positions is allocated 700 hours for liaison activities related to external audits. Two Single Audit positions are allocated 250 direct audit hours each

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

CURRENT YEAR PLAN

Carryover Projects

The following projects were in progress at the end of FY 2019-2020:

Contractor Related Parties in Child Welfare

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

Child Protective Investigator Turnover

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

Inter-Regional Pay Equity

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

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

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

Big Bend Community Based Care (BBCBC) Property Transactions

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

Florida Coalition Against Domestic Violence (FCADV)

The objectives of this project are to determine the amount of Department funding expended by FCADV on administrative costs and executive compensation; to determine whether funding expended on executive compensation agreed with information provided to the Department; and to provide support for an ongoing Department investigative review.

Post-Audit Sampling of Department Payments

The objective of this project is to determine whether purchasing card transactions were properly authorized, accurately accounted for, and properly supported.

Child-Care Regulation Performance Measures

The objectives of this audit are to assess the reliability and validity of a selection of Child Care Regulation (CCR) Long Range Program Plan (LRPP) performance measures and make recommendations for improvement, if necessary.

Foster Parent Recruitment

The objective of this project is to identify best practices employed by Florida's community-based care (CBC) lead agencies and other states' child welfare systems for recruiting and training foster parents and providing high-quality foster homes.

Inappropriate Access to Case Files

The objective of this audit is to determine the effectiveness of preventive and detective controls over employee access to case files in the Automated Community Connection to Economic Self-Sufficiency (ACCESS) and Florida On-line Recipient Integrated Data Access (FLORIDA) system.

Information Technology Systems and Hardware Video Recording Equipment

The objectives of this project are to assess the adequacy of video monitoring systems and review procedures in mental health treatment facilities.

Community-Based Care Safety Management Initiative

The objectives of this project are to ensure that the Department is monitoring and evaluating each CBC lead agency's assessment of its Safety Management Services and that the Department is following up to ensure corrective action is taken when monitoring identifies weaknesses in service delivery.

Inappropriate Data Access - Florida Safe Families Network (FSFN)

The objectives of this project are to review the adequacy of procedures for granting FSFN access and FSFN user previous access histories.

Investigative Referrals to the Department of Financial Services (DFS) Division of Public Assistance Fraud (DPAF)

The objectives of this project include reviewing referrals, identifying causes of low case acceptance rates, and identifying methods to improve the agreement between the Department and the DFS DPAF.

Organizational Ethics

The objective of this project is to evaluate the design and effectiveness of the Department's ethics-related programs and activities.

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

The objectives of this project are to review the adequacy of the current process for online authentication.

Projects for FY 2020-2021

Post-Audit Sampling of Department Payments

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

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

Performance Measures

Section 20.055(2)(b), F.S., directs the inspector general to “assess the reliability and validity of the information provided by the state agency on performance measures and standards, and make recommendations for improvement, if necessary.” To comply with this requirement, we will review a sample of service contracts and examine their relationship to program performance measures.

Substance Abuse and Mental Health Recovery Residences (Sober Homes) Licensing

The Florida Association of Recovery Residences⁷ (FARR) certifies and monitors most recovery residences (commonly referred to as “sober homes”) throughout the State of Florida. Recovery residence service providers who bill services through Medicaid, however, are required to be licensed by the Department. Licensing specialists monitor Department-licensed recovery residences every three years for those providers who are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF). Objectives of this project include reviewing Department licensing and monitoring practices for recovery residences.

Contractor Accountability - Contract Management Processes

Given the degree of privatization and Department reliance upon contracted service providers to deliver core Department services, effective contract management is a critical area for the Department. In accordance with § 287.057(14), F.S., an agency shall designate an employee to function as contract manager who is responsible for enforcing performance of contract terms and conditions. Further, in accordance with Chief Financial Officer Memorandum #5, payments for services require a contract manager’s

⁷ FARR is an affiliate of the National Alliance for Recovery Residences (NARR), a 501-c3 nonprofit organization dedicated to expanding the availability of well-operated, ethical, and supportive recovery housing.

written certification that services were satisfactorily received in accordance with agreement terms. Preliminary objectives of this project include examining the adequacy of contract manager oversight and determination of satisfactory service delivery.

Allowable Costs in Fixed-Price Contracts

In accordance with the *Reference Guide for State Expenditures*,⁸ state funds may only be expended by a recipient or subrecipient for allowable costs resulting from obligations incurred during the specified agreement period. Any unobligated funds that have been advanced or paid by the state agency must be refunded. Pursuant to § 216.3475, F.S., for all grant agreements and vendor contracts in excess of \$35,000⁹ that are awarded on a non-competitive basis, agencies are required to document a cost analysis to these agreements. The agency must document its review of the individual cost elements from the submitted budget for allowability, reasonableness, and necessity. Objectives of this audit will include reviewing cost analyses for non-competitive agreements and allowability of budgeted expenditures for a sample of fixed-price contracts.

WORK PLAN APPROVAL

Please indicate approval of the Fiscal Year 2020-2021 Internal Audit Work Plan for the Office of Inspector General below.

Concur X

Do Not Concur

Comments:

Secretary

 7-23-2020
Date

⁸ Developed by the Florida Department of Financial Services, Division of Accounting and Auditing, Bureau of Auditing.
⁹ "Category Two" as defined in § 287.017, F.S.

APPENDIX

LONG TERM WORK PLAN

Risk Item	Project Title	Risk Score	Office	Program or Unit
DCF-224	Cost of Care/Medicaid Billing	15.8	Substance Abuse and Mental Health	Mental Health
DCF-215	Department Services to Agency for Persons with Disabilities (APD) Clients	14.6	Child Welfare	Child Welfare
DCF-306	Specialized Therapeutic Programs	14.6	Substance Abuse and Mental Health	Mental Health
DCF-304	Teleworking	14.4	Operations	Regions
DCF-294	Public Benefits Paid to Department Employees	14.0	Economic Self-Sufficiency	ACCESS
DCF-5	Suicide Prevention	14.0	Substance Abuse and Mental Health	Mental Health
DCF-267	Lead Agency Accountability - Client Trust Funds	13.8	Child Welfare	Financial Accountability
DCF-180	Mental Health Treatment Facility Welfare Trust Funds	13.8	Substance Abuse and Mental Health	Mental Health Treatment Facilities
DCF-183	Florida Abuse Hotline Staff Turnover and Retention	13.4	Child Welfare	Florida Abuse Hotline
DCF-218	Insurance Coverage and Claims Experience	13.0	Administration	General Services
DCF-281	Turnover of ESS-I Staff	13.0	Economic Self-Sufficiency	ACCESS
DCF-49	Children's Legal Services	13.0	Childrens Legal Services	Children's Legal Services
DCF-303	CBC Lead Agency Deficits	13.0	Child Welfare	Child Welfare
DCF-83	Incorrect Benefit Payment & Untimely Data Exchanges	12.8	ACCESS	ACCESS
DCF-282	Information Technology Contracting	12.8	Information Technology Services	Information Technology Services
DCF-300	SAMH Beds Availability for Covered Services	12.6	Substance Abuse and Mental Health	Substance Abuse
DCF-305	Homelessness Contracts	12.4	Economic Self-Sufficiency	Homelessness