



Department of Education Office of Inspector General

ANNUAL REPORT

Fiscal Year 2016-2017



FLORIDA DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Table of Contents

Introduction.....	1
Mission Statement.....	1
OIG Responsibilities.....	1
Organization and Staff.....	2
OIG Staff Qualifications and Certifications.....	3
Affiliations.....	3
Major Activities and Functions.....	4
Internal Audit.....	4
Accomplishments.....	5
Review of Performance Measures.....	12
Review of Corrective actions for Prior Year Audits.....	12
Audit Response Coordination and Follow-up.....	13
Risk Assessment and Audit Plan.....	14
Investigations.....	16
Additional Investigative Authority.....	16
Accreditation.....	17
Criminal History Check Program.....	17
Completed Investigations.....	18
Other Investigative Activities.....	22
Whistle-Blower Determinations.....	23
Other OIG Activities.....	23

INTRODUCTION

MISSION STATEMENT

The mission of the Office of Inspector General (OIG) is to assist the Commissioner of Education in achieving the department's mission of increasing student proficiency and maintaining an accountability system that measures student progress. The OIG accomplishes this by providing independent audits and reviews of programs and activities, conducting investigations of alleged violations, and offering consulting services to assist management in their efforts to maximize effectiveness and efficiency.

OIG RESPONSIBILITIES

Section 20.055, Florida Statutes, establishes the Office of Inspector General within each state agency to provide a central point for coordination of, and responsibility for, activities that promote accountability, integrity, and efficiency in government. Additionally, in accordance with section 1001.20, Florida Statutes, the OIG will conduct or coordinate investigations into substantiated allegations that a district school board or college board of trustees is unwilling or unable to address relating to waste, fraud, or financial mismanagement, as determined by the Commissioner of Education.

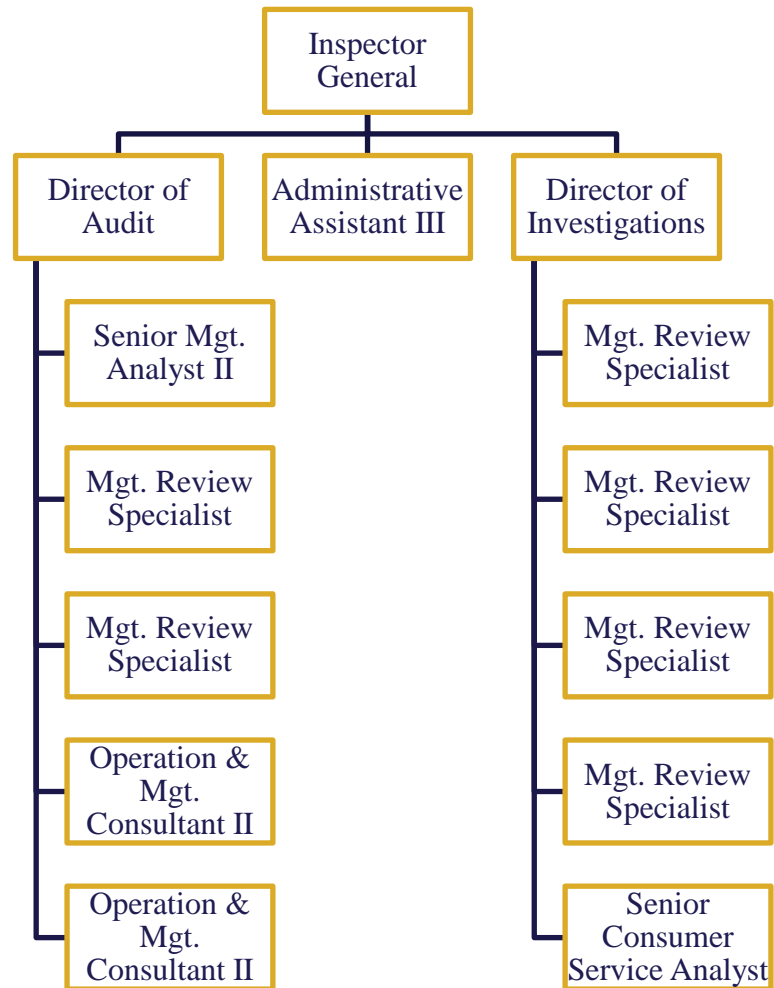
This annual report is presented to the commissioner and chief inspector general to comply with statutory requirements and to provide departmental staff and interested parties with information on the OIG's progress in accomplishing its mission. The OIG's responsibilities include:

- Conducting audits, investigations, and management reviews relating to the programs and operations of the department, including employment screening and background investigations;
- Reviewing and evaluating internal controls necessary to ensure the fiscal accountability of the department;
- Keeping the commissioner and chief inspector general informed concerning fraud, abuse, and deficiencies relating to programs and operations administered or financed by the department, recommending corrective action, and reporting on the progress made in implementing corrective action;
- Advising in the development of performance measures, standards, and policies and procedures for department programs;
- Coordinating, and monitoring the implementation of, the department's response to recommendations made by the Auditor General, the Office of Program Policy Analysis and Government Accountability (OPPAGA), the Florida Department of Financial Services, the U.S. Department of Education, and other external agencies; and
- Ensuring that an appropriate balance is maintained between audit, investigative, and other accountability activities.

ORGANIZATION AND STAFF

Effective July 1, 2014, Chapter 2014-144, Laws of Florida, changed the reporting structure for inspectors general in agencies under the jurisdiction of the Governor. The DOE inspector general remains under the general supervision of the Commissioner of Education but now reports directly to the Governor's Chief Inspector General. The OIG consists of 14 professional and administrative positions that perform internal audit and investigative functions, as shown below.

Office of Inspector General Organization Chart

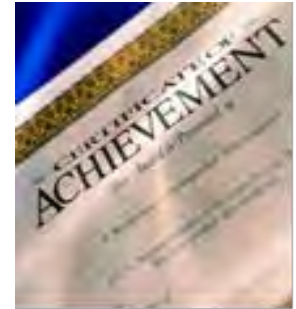


OIG STAFF QUALIFICATIONS AND CERTIFICATIONS

OIG staff is highly qualified and brings various backgrounds and expertise to the department. The collective experience spans a variety of disciplines, including auditing, accounting, investigations, and information systems.

OIG staff members continually seek to enhance their abilities and contributions to the office and the department. Many staff members have obtained certifications that demonstrate their knowledge, motivation, and commitment to the profession. Professional certifications held by OIG staff members include:

- Certified Inspector General (CIG)
- Certified Internal Auditor (CIA)
- Certified Information Systems Auditor (CISA)
- Certified Inspector General Investigator (CIGI)



AFFILIATIONS

OIG staff members participate in a number of professional organizations to maintain proficiency in their areas of expertise and certification. These associations allow them to establish and advance professional networks and participate in professional development activities. OIG staff members are affiliated with the following professional organizations:

- Institute of Internal Auditors (IIA)
- Association of Inspectors General (AIG)
- Association of Government Accountants (AGA)
- Association of Certified Fraud Examiners (ACFE)
- ISACA

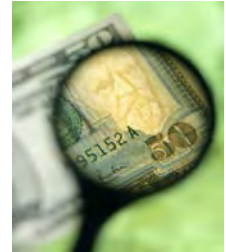
MAJOR ACTIVITIES AND FUNCTIONS

INTERNAL AUDIT

The purpose of the internal audit section is to provide independent, objective assurance and consulting activities designed to add value and improve the department's operations. Our vision is to help the department by facilitating change directed toward improving efficiency, effectiveness, accountability, and teamwork.

Responsibilities of the internal audit section include:

- Conducting compliance, electronic data processing, performance, and financial audits of the department to identify and recommending corrective action for deficiencies or matters of noncompliance.
- Conducting consulting activities in order to provide independent advisory services to department management.
- Assessing the reliability and validity of department performance measures.
- Ensuring effective coordination and cooperation with the Office of the Auditor General, OPPAGA, federal auditors, and other governmental bodies to ensure proper coverage and minimize duplication of effort.
- Conducting risk assessments of the department annually, taking into consideration the input of senior management.
- Developing annual and long-term audit plans outlining the audits to be conducted during each year and related resources to be devoted to the respective audits.
- Monitoring the implementation of the department's response to audit reports issued by the department's inspector general, Office of the Auditor General, OPPAGA, or other oversight agency.
- Developing and maintaining a quality assurance and improvement program that covers all aspects of the internal audit activity, with an external assessment conducted every three years.
- Participating in enterprise projects and providing assistance as requested by the chief inspector general.



The internal audit section conducts audits and reviews in accordance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors, Inc. Reports are distributed to the Commissioner of Education, the Governor's Chief Inspector General, the Office of the Auditor General, and affected department managers.

ACCOMPLISHMENTS

Internal audit completed twenty-two engagements during the 2016-2017 fiscal year, which can be viewed online at www.fldoe.org/ig/auditreports.asp. The results of those engagements are summarized below:

Bureau of Family & Community Outreach Grants Monitoring - The department's Bureau of Family and Community Outreach (BFCO) provides resources, recognition, and technical assistance to increase family engagement and promote children's success in education through grant awards to schools and community-based education programs. The purpose of this audit was to review the grants monitoring process as conducted by the bureau and to determine if there is overlap of grant resources amongst grant recipients. The audit revealed BFCO's grant monitoring process does not identify overlap amongst grant recipients, and grant recipients and sub recipients served the same clients with multiple grants for the same purpose. Additionally, BFCO did not provide timely feedback to sub recipients, did not conduct risk assessments timely, and did not review monthly deliverables timely.

We recommended BFCO:

- Implement tools and processes to track recipients and sub recipients by location so they can identify recipients and sub recipients that receive multiple grants for the same client services;
- Periodically conduct data analyses to determine whether the same grant recipient is serving grant clients through multiple grants;
- Conduct structured, on-site monitoring to Boys and Girls Clubs that receive both 21st CCLC grants and state grant allocations from the Florida Alliance of Boys and Girls Clubs to ensure compliance with grant terms and ensure attendance reporting anomalies are corrected;
- Revise the Florida Alliance contract language to ensure consistent scopes of work;
- Enhance their structured monitoring process to expedite report processing so they can provide more timely feedback to the grant sub recipients;
- Allocate additional staff to conduct structured monitoring on-site visits;
- Ensure review of deliverables occurs during the required timeframe;
- Develop a process to inform the Comptroller's office of approved or declined deliverables for public entities; and
- Prioritize structured on-site monitoring of 21st CCLC programs in order to identify significant deficiencies.

We recommended that the Collier County Boys and Girls Club improve its attendance record keeping.

Vendor Background Screening - 12 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-010, Vendor Background Screening. We confirmed that management has initiated corrective action for each of the reported deficiencies.

Differentiated Accountability - 24 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1314-016, Differentiated Accountability. We confirmed that management has completed corrective action for each of the reported deficiencies

State Scholarships - The department's Office of Student Financial Assistance (OSFA) serves as the administrator of Florida's postsecondary educational scholarship and grant programs. The purpose of this audit was to ensure that OSFA is effectively administering the centralized scholarships. The audit revealed instances where OSFA did not ensure institutions returned disbursed and undisbursed refunds in a timely manner.

We recommended OSFA:

- Enhance their policies and procedures to include required timeframes for the remittance of funds for courses dropped by a student or courses from which a student has withdrawn when disbursements are made after the end of the semester;
- Enhance their policies and procedures to include required timeframes for the remittance of funds for undisbursed advances when disbursements are made after the drop and add period; and
- Utilize its statutory authority to withhold payment if an institution fails to make refunds in a timely manner.

Division of Blind Services District Allocations - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-020, Division of Blind Services District Allocations. We confirmed management has initiated corrective action for each of their reported deficiencies.

Third Party Cooperative Agreement - Bay County School Board - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1415-022, Third Party Cooperative Agreement - Bay County School Board. We confirmed the Division of Vocational Rehabilitation management has initiated or completed corrective actions for each of the reported deficiencies. We confirmed Bay County management has completed corrective action for each of their reported deficiencies.

Space Coast Center for Independent Living - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-009, Space Coast Center for Independent Living. We confirmed the Division of Vocational Rehabilitation and Space Coast management have initiated or completed corrective actions for each of the reported deficiencies.

Service Source - The Division of Vocational Rehabilitation (DVR) entered into contracts #14-135 and #14-136 with Service Source to ensure provision of vocational rehabilitation services throughout the state. The services are defined as those necessary to assist the individual with a disability in preparing for, securing, retaining, or regaining employment.

The purpose of this audit was to ensure DVR and Service Source have sufficient internal controls to provide Vocational Rehabilitation services to the assigned workforce regions. The audit revealed instances where Service Source did not meet all monthly and yearly deliverables, and did not provide justification for all unmet monthly deliverables; DVR omitted a penalty from contract #14-135, Amendment 1; DVR calculated penalties inaccurately; and DVR did not enforce the requirement for Service Source to submit quarterly budget reconciliations.

We recommended DVR:

- Review the requirements for subsequent contracts to ensure that the deliverable amounts are achievable;
- Improve their amendment review process to ensure all contractual requirements, penalties, and deliverables are accurately included in amendments prior to approval and execution;
- Ensure the appropriate penalties are included in all future contracts;
- Implement a review process to ensure they calculate penalties correctly and in compliance with contractual requirements;
- Review all submitted invoices to ensure Service Source meets all monthly deliverable requirements, and if they are not met, an appropriate justification is included with a plan for meeting the requirement in subsequent months;
- Ensure Service Source submits quarterly budget reconciliations; and
- Review the reconciliations to ensure expenditures are in accordance with the contractual requirements.

We recommended Service Source:

- Enhance its processes to ensure all deliverable requirements are met; and
- Include an appropriate justification and a plan for meeting the requirement in subsequent months when deliverable requirements are not met.

School Transportation - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1415-019, School Transportation. We confirmed that management has completed or initiated corrective action for each of the reported deficiencies.

Florida Alliance for Assistive Services and Technology - 12 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1415-006, Florida Alliance for Assistive Services and Technology, Inc. We confirmed that management has completed corrective action for each of the reported deficiencies.



Differentiated Accountability - 18 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1314-016, Differentiated Accountability. We confirmed that management has completed or initiated corrective action for each of the reported deficiencies.

Vendor Background Screening - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-010, Vendor Background Screening. We confirmed that management has completed or initiated corrective action for each of the reported deficiencies.

School Transportation - 12 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1415-019, School Transportation. We confirmed that management has completed or initiated corrective action for each of the reported deficiencies.

Self Reliance Center for Independent Living - 12 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1415-017, Self Reliance Center for Independent Living. We confirmed that management has completed corrective action for each of the reported deficiencies.

Research and Analytics - The Division of Florida Colleges is a department team who acts as a support system for Florida College System institutions. The purpose of the consulting engagement with the Division of Florida Colleges, Research and Analytics Unit was to ensure that the department is effectively meeting the contractual requirements in the development of the Leveraging, Integrating, Networking, Coordinating Supplies (LINCS) application. During this consulting engagement, the department assigned key personnel to the project team; developed a project charter, objectives, and timelines; and held periodic meetings with senior staff to ensure the completion of all deliverables per the contract terms.

We recommended the department:

- Continue to implement the current LINCS project plan in order to meet the target goals and successfully complete the contract deliverables;
- Document their efforts to fulfill the deliverables, including communication with the Broward project manager; and
- Complete development of a project charter, goals, and objectives for the XCEL-IT contract.

Division of Blind Services District Allocations - The Florida Division of Blind Services (DBS) allocates and distributes funds for authorization to ten district offices. The funds for authorization are non-contractual discretionary funds used to provide needed services for individuals who are blind and visually impaired. The purpose of this audit was to ensure

that DBS is effectively administering the program. The audit revealed instances where DBS paid for services that did not match, or were not listed in, the individualized plan for employment; DBS personnel did not properly sign invoices and authorizations; DBS personnel did not complete required needs assessments and equipment forms; DBS made maintenance payments for unallowable services; and DBS made payments that did not include sufficient documentation to support the authorizations and payment requests.

We recommended DBS:

- Monitor the districts to ensure IPEs are properly completed prior to providing services to clients and ensure the services provided match the current IPE on file;
- Identify the correct provider when providing services to the clients and amend the IPEs accordingly;
- Ensure all invoices and authorizations are properly signed in accordance with the VR and CP manual;
- Ensure all districts are trained and aware of the approval requirements;
- Ensure all required maintenance forms and needs assessments are completed in accordance with the CFR and VR manual;
- Reiterate the needs assessment requirements to the districts;
- Strengthen their controls and monitoring of maintenance payments to ensure payments are only made for allowable services and paid directly to vendors when possible;
- Ensure the Client Equipment Inventory and Receipt Form #108 is completed and signed by all parties when the client receives assistive technology or when DBS reclaims possession in accordance with the manual;
- Include the equipment threshold amount in the policies and procedures for equipment form 108;
- Strengthen their policies and procedures to include requirements for supporting documentation in the form of invoices and/or receipts for maintenance payments;
- Rehabilitation specialists document their verification of client receipt of services in AWARE; and
- Perform periodic reviews to ensure payments are made for allowable and necessary services and contain the appropriate documentation.

Information Technology Governance - Information Technology (IT) governance is defined as the processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals. The purpose of this consulting engagement was to review the department's IT governance program and make recommendations for improvement. During the review, we noted that the department should continue to strengthen its IT governance plan. For example, the department should ensure that policies are cohesive and are subject to a unified framework.

We recommended the department create performance measures; develop implementation procedures; and use a framework such as COBIT 5 to assist in developing project governance and for the continued improvement of data governance.

Educator Certifications - 18 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1314-015, Educator Certifications. We confirmed that management has completed corrective action for each of the reported deficiencies.

English Speaker of Other Languages and Title III - 6 Month Status Report - We followed up on the status of corrective actions required in response to findings and recommendations contained in Report # A-1516-004, English Speaker of Other Languages and Title III. We confirmed that management has completed corrective action for each of the reported deficiencies.

Third Party Cooperative Agreement - Bay County School Board - The Division of Vocational Rehabilitation (DVR) entered into a Third Party Cooperative Agreement (TPCA) with Bay County School Board to create and/or expand Community Based Work Experience (CBWE) and career exploration activities for students with the most significant disabilities. The purpose of this audit was to determine whether Bay County School Board has complied with terms and conditions of agreement #15-113, and to identify the liabilities or risks presented to DVR as a result of the agreement. The audit revealed instances where the school district did not submit the CBWE rating forms to DVR; school district expenditures did not conform to the agreement; and invoices were not approved timely.

We recommended DVR:

- Ensure the school district submits the CBWE rating forms in accordance with the agreement terms and maintain copies of the reports in the case record per the agreement;
- More closely review expenditures to ensure they are appropriate and align with the agreement;
- Review previous and current expenditures for unallowable expenses, such as those identified in our audit, and seek repayment from the school district for those expenses deemed unallowable; and
- Review and approve invoices in accordance with the Florida Statute.

We recommended Bay County:

- Submit the CBWE rating forms for each student each month that the student is employed; and
- Ensure funds are spent in accordance with the agreement.

Space Coast Center for Independent Living - The Division of Vocational Rehabilitation (DVR) entered into a contract with Space Coast Center for Independent Living (CIL) to provide funding for the provision, improvement, and expansion of independent living services, including the four independent living core services, for individuals with significant disabilities. The purpose of this audit was to ensure the CIL has sufficient internal controls in place to administer the independent living program. The audit revealed instances where the CIL continued to charge consumers a fee for transportation services, did not meet employment requirements, and did not meet the intent of the independent

living program. The CIL also did not maintain appropriate fiscal oversight, did not ensure consumer service records contained all required documentation, and did not accurately record service hours. Furthermore, the CIL needs to implement an effective satisfaction survey process and make improvements to its policies and procedures.

We recommended DVR:

- Develop guidelines for charging consumers for the cost of IL services or disallow the practice;
- Provide technical assistance as needed to ensure the CIL remains eligible for state and federal assistance;
- Add language in its contracts with the CILs to specify service delivery areas; and
- Perform periodic reviews to ensure expenditures are allowable, allocable, reasonable, and necessary to the performance of the contract.

We recommended the CIL:

- Discontinue charging consumers for services until DVR establishes guidelines and the CIL develops policies and procedures in accordance with that guidance;
- Develop an improvement plan to bring them into compliance with the Code of Federal Regulations;
- Develop and implement employee and board training and development programs to ensure employees providing IL services and those administering the IL program have the skills and knowledge necessary to perform their duties;
- Serve eligible individuals with the four independent living core services in Brevard and Indian River County as stated in the SPIL for Florida for 2014-2016 and the CIL's Program Services Policies and Procedures;
- Enhance its procedures to ensure expenses funded through DVR's contract are allowable, accurately allocated, and appropriately reflected in budget reconciliations;
- Develop a timesheet that uses activity-based reporting and ensure employees accurately complete timesheets and allocate work hours across funding sources.
- Establish and implement a written policy and procedure requiring the CIL staff to conduct eligibility determinations; establish IL plans with consumers or maintain waiver documentation; conduct timely annual reviews; and document the reason for case closure after the consumers have been notified of such case closure;
- Develop policies and procedures to ensure they accurately record service hours and maintain the service hours by funding sources;
- Improve its satisfaction survey process to allow for appropriate feedback, and timely submit the survey results to DVR; and
- Update its financial policies and procedures so they do not conflict with contract terms and consistently follow its established policies and procedures.



Department of Highway Safety and Motor Vehicles Memorandum of Understanding

Attestation - The department's Office of Professional Practices Services (PPS) administers a state-level grievance process and plays an integral part in ensuring that appropriate disciplinary actions are taken against the certificate of an educator certified to teach in Florida. In order to locate individuals that are party to an investigation of educator misconduct, PPS is permitted access to driver license and motor vehicle data through a memorandum of understanding (MOU) with the Department of Highway Safety and Motor Vehicles (DHSMV). The purpose of this engagement was to ensure the department, in compliance with the terms of the MOU, has appropriate internal controls to ensure that personal data is protected from unauthorized access, distribution, use, modification, or disclosure. We determined that PPS is operating in compliance with the terms set forth by the Data Exchange MOU.

REVIEW OF PERFORMANCE MEASURES

Section 20.055, Florida Statutes, requires the Office of Inspector General in each state agency to advise in the development of performance measures, standards, and procedures for the evaluation of state agency programs; 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. Our review of performance measures is incorporated into our assurance activities.

REVIEW OF CORRECTIVE ACTIONS FOR PRIOR YEAR AUDITS

Section 20.055(7)(c), Florida Statutes, requires the identification of each significant recommendation described in previous annual reports on which corrective action has not yet been completed. The following corrective actions were outstanding as of June 30, 2017.

School Transportation - The purpose of this audit was to ensure the Bureau of School Business Services is effectively administering the program.

Recommendation: We recommend School Transportation enhance its procedures to ensure school districts comply with Florida Administrative Code and the Florida School Bus Safety Inspection Manual, thereby increasing the assurance that students will be safely transported.

Status: The School Bus Inspector Manual, Revised 2017, has been updated to require that school bus inspector certificates be renewed on a fiscal year, rather than a calendar year basis, which is consistent with current practice. The School Bus Inspector Manual is incorporated by reference in rule 6A-3.0171, F.A.C., which is currently in rulemaking and anticipated to be an agenda item on the State Board of Education meeting on February 16, 2017.

Vendor Background Screening - The purpose of this audit was to ensure that the Division of Vocational Rehabilitation was conducting the vendor background screenings as mandated by the Florida Statutes.

Recommendation: We recommend DVR require vendors to background screen all directors. We also recommend DVR include language in its vendor contracts to hold the vendors accountable for timely background screenings and providing DVR with updated lists of their employees.

Status: Contracts are being addressed as they come up for amendment, renewal, or redraft.

Recommendation: We recommended DVR require vendors to background screen interpreters. We also recommend DVR include language in its vendor contracts to hold the CILs accountable for timely initiating the background screening process and providing DVR with updated lists of their employees.

Status: CIL contracts are being rewritten now and will be in place no later than October 1, 2017.

AUDIT RESPONSE COORDINATION AND FOLLOW-UP

The OIG provides a single point of contact for external agencies auditing the department. This is done to ensure effective coordination and cooperation between the Office of the Auditor General, federal auditors, and other governmental bodies and to minimize duplication of effort. We coordinate information requests and responses and assist in scheduling meetings for these entities. We provide coordination of the required responses to preliminary and tentative findings issued by the Office of the Auditor General, OPPAGA, U.S. Department of Education, and other oversight agencies. We also coordinate the six-month response on the status of corrective actions taken by the department on any audit findings and recommendations issued by the Office of the Auditor General or OPPAGA. During the 2016-2017 fiscal year, we coordinated the following external projects and follow-ups:



Office of the Auditor General

REPORT NUMBER	REPORT TITLE
2016-095	SIX MONTH STATUS: MIGRANT EDUCATION PROGRAM, MENTORING GRANTS MONITORING, AND THE FLORIDA EDUCATIONAL EQUITY ACT
2016-159	SIX MONTH STATUS: COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS
2017-180	COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS
2017-007	COMPREHENSIVE RISK ASSESSMENTS AT SELECT STATE AGENCIES

RISK ASSESSMENT AND AUDIT PLAN

Section 20.055, Florida Statutes, requires the inspector general to develop long-term and annual audit plans based on periodic risk assessments of the department. This helps ensure the OIG is responsive to management concerns and that those activities judged to have the greatest risks are identified and scheduled for review.

The risk assessment included identifying programs and activities administered by the department and evaluating each activity based on indicators of risk exposure, or risk factors. The programs and activities were determined through discussions with responsible management personnel and review of organization charts and the department’s strategic plan. Senior management then rated the vulnerability of the identified programs and activities by assigning scores for each activity on seven risk factors: financial impact, public relations impact, control environment, changes in operations/systems, management interest, audit coverage, and sensitive data.



Using the results from these efforts and our professional judgment, we developed the audit plan for the 2017-2018 fiscal year. The audit plan provides the most effective coverage of the department’s programs and processes while optimizing the use of internal audit resources. Twenty percent of direct audit hours have been dedicated to enterprise projects at the request of the Chief Inspector General. During the 2017-18 fiscal year, audit resources will be allocated to the following engagements:

2017-18 Audit Plan

DIVISION	PROJECT
CAREER AND ADULT EDUCATION	GRANTS ADMINISTRATION - CARRYOVER
DIVISION OF TECHNOLOGY AND INNOVATION	APPLICATIONS DEVELOPMENT AND SUPPORT - CARRYOVER
MULTIPLE DIVISIONS	STUDENT DATA – CARRYOVER
BLIND SERVICES	SOCIAL SECURITY REIMBURSEMENT PROCESS
PUBLIC SCHOOLS	FEDERAL EDUCATION PROGRAMS - GRANTS MONITORING

DIVISION OF TECHNOLOGY AND INNOVATION	RULE 74A RISK ASSESSMENT
PROFESSIONAL PRACTICES SERVICES	DEPARTMENT OF CHILDREN AND FAMILIES DATABASE ACCESS
PUBLIC SCHOOLS	21 ST CENTURY COMMUNITY LEARNING CENTER
INDEPENDENT EDUCATION AND PARENTAL CHOICE	PERSONAL LEARNING SCHOLARSHIP ACCOUNTS
ACCOUNTABILITY, RESEARCH, AND MEASUREMENT	FLORIDA COLLEGE SYSTEM PERFORMANCE FUNDING REPORTS
VOCATIONAL REHABILITATION	RIMS
VOCATIONAL REHABILITATION	ADULTS WITH DISABILITIES – CARRYOVER
VOCATIONAL REHABILITATION	FLORIDA INDEPENDENT LIVING COUNCIL – CARRYOVER
VOCATIONAL REHABILITATION	EMPLOYMENT SERVICES PROVIDER MONITORING – CARRYOVER
VOCATIONAL REHABILITATION	FEE-FOR-SERVICE VENDORS
VOCATIONAL REHABILITATION	SPECIAL CONTRACT – UNIVERSITY OF SOUTH FLORIDA
VOCATIONAL REHABILITATION	SPECIAL CONTRACT – CENTER FOR INDEPENDENT LIVING
VOCATIONAL REHABILITATION	ELIGIBILITY PROCESS

INVESTIGATIONS

The investigations section works to deter, detect, and investigate allegations of fraud, waste, abuse or employee misconduct impacting the department. The section receives inquiries or complaints regarding departmental activity from many sources, including: the Whistle-blower's Hotline, the Florida Department of Financial Services' Get Lean Hotline, the Chief Inspector General's Office, the on-line complaint form on the OIG's website, letters, telephone calls, e-mails, and the Executive Office of the Governor.

If suspicion of potential criminal activity is discovered, it is referred to the appropriate law enforcement agency. The OIG coordinates with law enforcement on any criminal investigation, while ensuring that issues of an internal nature are addressed administratively.

Investigations staff monitor and track all cases to ensure:

- All case findings are reported to the Commissioner and appropriate managers.
- The OIG provides the necessary facts to the department's Office of Labor Relations, the Office of the General Counsel, and department managers to assist them in taking the appropriate actions.
- Cases involving criminal activity are referred to the appropriate law enforcement agency, in accordance with Florida Statutes.

Investigations are conducted in accordance with quality and quantitative standards as set forth in the *Association of Inspectors General Principles and Standards for Offices of Inspector General* and the *Commission for Florida Law Enforcement Accreditation*.

During the 2016-17 fiscal year, the OIG received 275 complaints from the public and other entities, referred 47 complaints to management, initiated 9 investigations, completed 11 investigations, completed 9 whistle-blower determinations and made 4 referrals to criminal agencies. The OIG also processed 506 applicants' background checks and 15 background check reviews.

ADDITIONAL INVESTIGATIVE AUTHORITY

A part of Florida's school choice programs, the McKay Scholarships for Students with Disabilities Program provides Florida students with special needs the opportunity to attend a participating private school. Another program, the Florida Tax Credit Scholarship Program, encourages private, voluntary contributions to expand educational opportunities for children of families that have limited financial resources. In accordance with section 1002.39(6)(c) and 1002.395(9)(f), Florida Statutes, individuals may notify the department of any violation by a parent, private school, or school district of state laws relating to program participation. The department shall conduct an inquiry of any violation or make a referral to the appropriate agency for an investigation. Rules 6A-6.0960 and 6A-6.0970, Florida Administrative Code, provide that

the department may, at any point, refer an inquiry to the department’s Office of Inspector General or another appropriate agency for full investigation.

ACCREDITATION

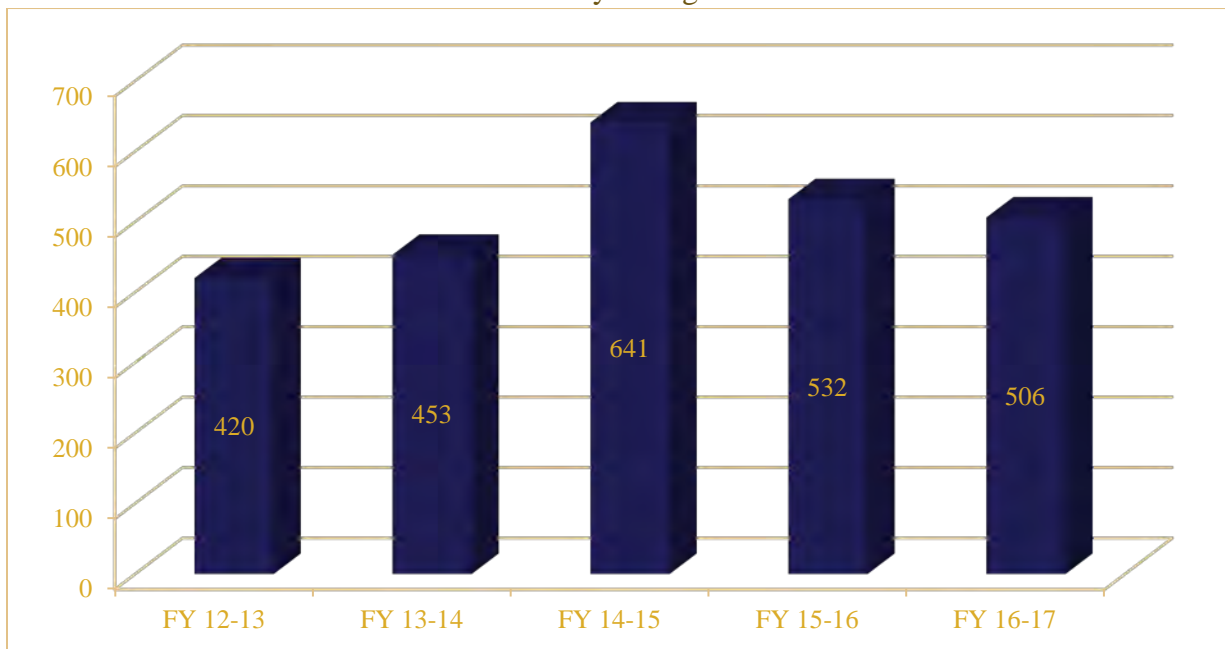
An accreditation program has long been recognized as a means of maintaining and verifying the highest standards. Accreditation is the certification by an independent reviewing authority that an entity has met specific requirements and prescribed standards. In 2009, the Commission for Florida Law Enforcement Accreditation (CFA) expanded its program to include inspectors general offices. In February 2014, the full CFA voted unanimously to award the certificate of accreditation to the DOE Office of Inspector General. On November 2, 2017, state assessors completed a re-accreditation review. In February 2017, the full CFA voted unanimously to award the certificate of re-accreditation to the DOE Office of Inspector General. The re-accreditation remains in effect for three years.



CRIMINAL HISTORY CHECK PROGRAM

In accordance with section 435, Florida Statutes, all employees, volunteers, and applicants must undergo a level 2 screening as a condition of employment. The Office of Inspector General is responsible for processing the results of the level 2 screenings of each applicant. During the 2016-2017 fiscal year, the OIG analyst conducted 506 applicant background checks and conducted 15 background check reviews. The chart below depicts, by fiscal year, the number of background checks performed from 2012-2017.

Number of Criminal History Background Checks Performed



COMPLETED INVESTIGATIONS

During the prior fiscal year, the OIG investigated allegations of misappropriation of funds, fraud, and other employee misconduct. A synopsis of those investigations is provided below.



- The OIG received information from the Florida Department of Education (FDOE) 21st Century Community Learning Centers (CCLC) program regarding a complaint received from a former teacher alleging that a private school who is a 21st CCLC grant recipient failed to pay teachers for hours worked and expressed concerns with the integrity of their Aim to Succeed (ATS) program. A review of the ATS program revealed potential fraud and falsified participation logs. The OIG reported this matter to the Florida Department of Financial Services (DFS), Office of Fiscal Integrity (OFI) for possible criminal violations. A DFS OFI review found evidence that four sign-in sheets for the adult literacy program were duplicated. Additionally, the OIG determined that the school submitted fraudulent billing documents to FDOE to collect \$14,584.89 in federal grant funds for the 21st CCLC program, and forged a parent signature on an enrollment form for the child to attend the ATS program. The OIG recommended that department management review the findings to determine if the school failed to meet grant deliverables and if a repayment of grant funds is required. In addition, the OIG recommended management consider providing additional guidance and support for 21st CCLC programs when there are indications of need, particularly during the first year.
- The Division of Vocational Rehabilitation (DVR) forwarded a complaint to the OIG alleging counselor(s) were receiving compensation for referring clients to a DVR vendor. A second allegation claimed that the vendor was falsifying documentation to receive retroactive tuition payments from DVR. As the investigation into the first allegation that a DVR Counselor received compensation for referring clients to the vendor progressed, the OIG coordinated this matter with the Florida Department of Law Enforcement (FDLE) for possible criminal violations. FDLE determined that there was no evidence of a criminal violation. The OIG continued its administrative investigation into the first allegation against the DVR Counselor and based on testimony and documents reviewed, the OIG did not substantiate that the DVR Counselor received compensation for referring clients to the vendor. The OIG reviewed invoice submissions and progress reports for 13 clients that attended the vendor's institution. The OIG identified seven clients where the vendor submitted signed invoices and progress reports for monthly tuition despite other vendor records showing the client had already completed their course work. The OIG substantiated the allegation that the vendor submitted falsified documentation to receive tuition payments for classes that clients had already completed or did not take. The OIG recommended that DVR management provide training to counselors regarding relations with vendors and clients, submitting completed and verified authorizations, and authenticating vendor progress reports. Additionally, the OIG recommended that DVR require vendors to provide signed documentation indicating which classes a client is

currently enrolled in before authorizing payment. The OIG also recommended that DVR reconsider the continued use of the vendor. The OIG further recommended that the Commission for Independent Education (CIE) determine if the practices of the vendor constitute a violation of its licensing agreement.

- The Division of Blind Services (DBS) contacted the OIG alleging that a DBS Rehabilitation Specialist had asked DBS clients to sign and cash checks to fund a summer camp sponsored by a separate vendor that the clients did not attend. Additionally, the rehabilitation specialist was using her state issued purchase card (P-card) to purchase gasoline for her personal vehicle. The OIG confirmed that the rehabilitation specialist had the clients cash checks and give her the cash. The OIG substantiated the allegation that the rehabilitation specialist directed clients to sign and cash check(s) to fund a summer camp that the clients did not attend. Based on a review of the receipts and rental car documentation submitted by the rehabilitation specialist, the OIG substantiated the allegation that the rehabilitation specialist used her P-card to purchase gas for her personal vehicle. The OIG determined that there was insufficient evidence to substantiate the allegation that the former rehabilitation specialist created a separate summer camp for DBS clients, directed clients to sign and cash check(s) to pay for the cost of the camp, and pocketed the residuals. The rehabilitation specialist was terminated from FDOE. Additionally, the OIG reported this matter to the Florida Department of Financial Services, Office of Fiscal Integrity for possible criminal violations. OFI found sufficient evidence related to the fraudulent P-card charges and the rehabilitation specialist paid restitution to the State of Florida.
- The Division of Accountability, Research, and Measurement (ARM) referred an elementary charter school to the OIG for investigation of an unusually high similarity index score on the Spring 2015 Florida Standards Assessment (FSA) Test. The OIG determined that sufficient evidence existed indicating inappropriate or irregular activities occurred during the administration of the Spring 2015 FSA English Language Arts assessment. Additionally, the OIG determined that the assessments were not properly secured and security logs were not properly documented. The OIG recommended that Palm Beach County School District ensure that the elementary charter school understands the importance of test security when testing materials are received at the school. The OIG further recommended that Palm Beach County School District remind the testing coordinator and test administrators of the importance of utilizing the correct forms prior to, during, and after the administration of the FSA. The OIG also recommended that Palm Beach County School District assist with future monitoring of assessments at the elementary charter school and ensure the assessments are removed daily when testing has been completed.
- The OIG, Internal Audit Section conducted an audit of the Division of Blind Services (DBS) direct authorization purchases. The auditor identified questionable payments to the client and referred the client to the Investigations Section. Allegations stemming from the audit included a DBS client inappropriately receiving duplicate payments for

school, food, and housing. Based upon witness testimony and documentation received, the OIG determined that the client was not violating client services policies by receiving funds for school, food, and housing while taking online classes as DBS management had granted exceptions to the policies and approved the expenditures. Additionally, the OIG determined that the client was not receiving duplicate payments for school, food, or housing. The OIG recommended that DBS management provide training regarding Client Services Policy 2.25 Exception to Policies, DBS College Student Handbook Basic Requirements, and DBS Client Services Policy 8.03 Drug and Alcohol Policy. The OIG also recommended that DBS management provide training regarding Client Services Policy 6.11 Comparable Benefits.

- A school district referred a complaint alleging personnel at an elementary school inappropriately coached, directed, aided, or assisted students during the administration of the Spring 2016 Florida Standards Assessment (FSA). The OIG found insufficient evidence to indicate any inappropriate or irregular activities occurred during the administration of the Spring 2016 FSA. The OIG recommended that the school prohibit teachers from administering the test to students they teach.
- The Division of Accountability, Research, and Measurement (ARM) referred a charter school to the Office of Inspector General (OIG) for investigation of unusually high erasure index scores on the Spring 2016 3rd Grade Mathematics and 3rd Grade English Language Arts (ELA) Florida Standards Assessment (FSA). Based on student and staff testimony and submitted documentation, the OIG determined there was insufficient evidence to substantiate the allegation that the charter school personnel inappropriately coached, directed, aided, or assisted students during the administration of the Spring 2016 3rd Grade Mathematics and 3rd Grade ELA Florida Standards Assessment. The OIG recommended that the school prohibit teachers from administering the test to students they teach and add a secondary locked storage for testing materials. The OIG further recommended that the Indian River County School District assist with future monitoring of assessments at the Charter School and ensure that test administrators are not communicating with students during the administration of the FSA.
- The OIG received a complaint concerning a Division of Vocational Rehabilitation (DVR) service provider making an unwanted advance toward a DVR customer by kissing her on the mouth and making an inappropriate comment regarding a rehabilitation engineer's legs. Based upon witness testimony and the lack of any independent witnesses to the alleged incident, the OIG could not substantiate the allegation that the service provider made an unwanted advance toward a DVR customer by kissing her on the mouth. Additionally, the OIG did not substantiate the allegation that the service provider made an inappropriate comment to a rehabilitation engineer. The OIG recommended that the Division of Vocational Rehabilitation consider reviewing the provider agreements and other documents included in the service provider registration process, clarify the expectations of the service provider, and address any potential issues.

- The Division of Accountability, Research, and Measurement (ARM) referred a charter school to the Office of Inspector General (OIG) for investigation of unusually high erasure index scores on the Spring 2016 Florida Standards Assessment (FSA) test. The OIG investigation determined that six of the 11 students interviewed indicated that they received some type of assistance from school personnel. The OIG determined that sufficient evidence existed to indicate that inappropriate or irregular activities occurred during the administration of the Spring 2016 FSA Mathematics. The OIG recommended that the School District ensure the charter school understands the importance of test security during testing. The OIG further recommended that the School District assist with future monitoring of assessments at the charter school and ensure that test administrators are not communicating with students during the administration of the FSA. The OIG also recommended that the charter school utilize proctors as recommended by the Test Administration Manual during the administration of the FSA. Additionally, the OIG recommended the school prohibit teachers from administering the test to students they teach. The OIG reported this matter to the Office of Professional Practice Services for review and action deemed appropriate.
- The Division of Vocational Rehabilitation (DVR) requested that the OIG determine if there was a conflict of interest between a DVR Senior Counselor and a DVR vendor. The OIG determined that the DVR senior counselor and the DVR vendor maintained a personal and business relationship while the senior counselor referred clients and approved payments to the vendor creating a conflict of interest. The OIG recommended that DVR management provide training regarding Florida Administrative Code 60L-36.003 Relationships with Regulated Entities and the DVR Counselor Manual Section D.5.(e) Conflict of Interest. The DVR senior counselor resigned from her employment with DVR. The OIG also recommended that a copy of the investigative report be placed in the senior counselor's personnel file.
- The Division of Accountability, Research, and Measurement (ARM) referred a charter school to the OIG for investigation of an unusually high similarity index score on the Spring 2016 Florida Standards Assessment (FSA) Test. Additionally, the OIG received a complaint alleging that an administrator at the charter school reported false Full-Time Equivalent (FTE) student information during FTE week. The OIG determined that there was insufficient evidence to substantiate the allegation that the charter school administration assisted students with the Spring 2016 6th Grade ELA Reading, 8th Grade ELA Reading, and Civics EOC Florida Standards Assessment. The OIG concluded that there was no evidence to substantiate that an administrator at the charter school reported false Full-Time Equivalent student numbers during FTE week. The OIG recommended that the School District ensure that charter school understands the importance of maintaining proper security forms and utilize proctors as recommended by the Test Administration Manual during the administration of the FSA. The OIG further recommended that the School District assist with future monitoring of assessments at the charter school and ensure that test administrators are not communicating with students during the administration of the FSA.

OTHER INVESTIGATIVE ACTIVITIES

- The OIG received allegations concerning a school district's administrators placing students who fail the Florida Standards Assessments (FSA) in Exceptional Student Education (ESE) status, so that it does not count against their school grade or graduation rate. Additionally, the complainant alleged that a school administrator plagiarized a portion of his submission for the Chief Executive Officer Leadership Development Program. The OIG referred the first allegation to the School Board and the second allegation to the Florida Association of District School Superintendents. The School Board appointed an outside investigation firm to conduct an investigation into the concerns of alleged fraud in the ESE administration in the School District. The OIG accepted the findings of the School Board and the Association of District School Superintendents.
- The OIG received a complaint regarding the improper withdrawal of students from public school to home school in a School District during the 2014/2015 school year. Specifically, the complainant alleged that school administrators, under the direction of the Superintendent, withdrew failing or truant students from their high school and enrolled them in home school, so those students would not count against the district's grade or graduation rate. Additionally, the complainant alleged that the school administrators failed to obtain the required letters of intent to home educate from students that were withdrawn to home school as required. The OIG referred the complaint to the School Board for further investigation. The School Board retained a law firm to investigate the complaint. The investigation completed by the law firm determined that there was not any deliberate attempt by the Superintendent or any other administrator in the School District to inflate graduation rates artificially. The staff, under the Superintendent's direction, has remedied the problem and has put into place procedures that will ensure that withdrawing students are properly classified.
- The OIG received an anonymous complaint alleging that a Division of Vocational Rehabilitation (DVR) area supervisor and unit supervisor transferred a DVR Counselor's cases to select counselors to inflate their production numbers for their performance evaluations. Additionally, the complainant alleged that transfer summaries did not accompany these cases as required. The OIG determined that the area supervisor and unit supervisor did not transfer the counselor's cases to inflate select counselors' production numbers for their performance evaluations. The OIG determined that transfer summaries were not completed for the counselor's cases as required. The OIG referred the complaint to DVR for their review and any action deemed appropriate.

WHISTLE-BLOWER DETERMINATIONS

The investigations section completed nine whistle-blower determinations during Fiscal Year 2016-2017. After assessing each complaint, the OIG determined that eight of the allegations did not demonstrate reasonable cause to suspect that the department or independent contractor violated any federal, state, or local law, rule or regulation. Based upon further review, the complaints were referred to the necessary entities for action deemed appropriate. One of the Whistle-blower determinations led to an OIG Investigation

OTHER OIG ACTIVITIES

Enterprise Project

During the 2016-17 fiscal year, the DOE Inspector General participated in an Executive Office of the Governor Chief Inspector General Enterprise Project. The enterprise project was follow-up to a prior year project identifying public assistance fraud practices in state government health agencies. The follow-up project built on the first project by identifying and providing information sharing considerations that may be used to mitigate barriers related to inter-agency information sharing of data sets within the public assistance programs administered by the State of Florida. The scope of the project included (1) identifying public assistance program data sets currently being shared by other states and federal entities for the specific purposes of fraud abatement; (2) reviewing copies of public assistance program data sharing agreements utilized by other states and federal entities for the purposes of fraud abatement; and, (3) reviewing technical considerations that may be factors in strategic planning for the development of an enterprise information sharing strategy to assist in detecting and deterring public assistance fraud through the sharing of common data elements and common indicators of fraud.

Review of North Broward Hospital District

In January 2016, the Office of the Chief Inspector General initiated a review of the North Broward Hospital District (Broward Health). Broward Health is a special taxing district governed by a seven-member Board of Commissioners, each appointed by the Governor to a four-year term. The Board exercises budgetary authority, selects senior executive management, participates in fiscal management, provides taxing authority and determines the scope of services to be provided to the community. The DOE Inspector General and Director of Investigations participated on the review team. The review is currently ongoing.



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