



Office of Inspector General

Annual Report To The Commissioner

Summary of Office of Inspector General Activities

For Fiscal Year 2017-2018

**Lourdes Howell-Thomas
Inspector General**

SEPTEMBER 2018

September 27, 2018

Richard L. Swearingen, Commissioner
Florida Department of Law Enforcement
2331 Phillips Road
Tallahassee, FL 32302

Dear Commissioner Swearingen:

In accordance with Section 20.055(8), Florida Statutes, I am pleased to present the Office of Inspector General's (OIG) Annual Report for Fiscal Year 2017-2018. This report summarizes the activities performed by this office based on its statutory obligations and the responsibilities assigned last fiscal year. Moreover, this report reflects the professionalism and dedication of the OIG members who were instrumental in these accomplishments.

For the Fiscal Year 2017-2018, the OIG was committed to accomplishing our mission of assisting the Department with meeting its goals and objectives by providing timely and professional auditing and investigative services that promote accountability, integrity, and efficiency.

During this fiscal year, the OIG completed and/or worked on the following projects:

- Information and Evidence Funds Audit – in Progress
- Criminal History Revenue Services Audit – in Progress
- Capitol Complex Building Access Card Program Audit – in Progress
- Information Security Audit – January 2018
- Risk Assessment and Annual Plan for FY 2017-2018 – July 2017
- Risk Assessment and Annual Plan for FY 2018-2019 – in Progress
- Civil Asset Forfeiture FY 2016-2017 – March 2018
- Civil Asset Forfeiture FY 2017-2018 – in Progress
- Driver And Vehicle Information Database (DAVID) Compliance Review – July 2017
- Performance Measure Assessment – in Progress
- Single Audit Compliance Review – August 2017
- Information Security Audit (Six-Month Follow-up) – in Progress
- Armory Audit (12-Month Follow-up) – September 2017
- Armory Audit (Follow-up) – in Progress
- Review of FDLE Grant Financial Management Process (Follow-up) – October 2017
- OIG CFA Accreditation – in Progress

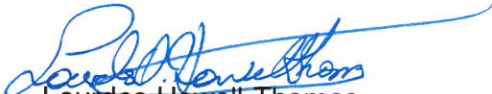
Office of Inspector General

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On behalf of the OIG staff, I would like to thank you for your continued support, as well as all FDLE members. The collaboration and assistance provided is not only essential but also much appreciated. We look forward to working closely with you and your leadership team as we continue our efforts to promote efficiency, accountability, and integrity within FDLE.

Sincerely,



Lourdes Howell-Thomas
Inspector General

Attachment

cc: Eric Miller, Chief Inspector General
Sherrill F. Norman, Auditor General



Introduction

The statutory role of the Office of Inspector General (OIG) is to provide a central point for coordination of and responsibility for, activities that promote accountability, integrity, and efficiency in the Department. Section 20.055, Florida Statutes (F.S.), requires each inspector general to prepare an annual report summarizing the activities of the office during the preceding state fiscal year (FY).

This report briefly summarizes the projects, activities, and investigations conducted by the OIG during FY 2017-2018.

Mission

It is the mission of the OIG to assist the Florida Department of Law Enforcement (FDLE) by providing timely and professional auditing, investigative, technical and review services; assessments of management functions; and the promotion of integrity, economy, efficiency and effectiveness of Departmental programs, services and activities.

Statutory Authority

Per section 20.055(2), F.S., the specific duties and responsibilities of the OIG include:

- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the agency.
- Conduct, supervise, and coordinate other activities carried out or financed by the agency to promote economy and efficiency, and prevent and detect fraud and abuse in programs and operations.
- Keep the agency head informed concerning fraud, abuses, and deficiencies relating to programs and operations; recommend corrective action; and report on the progress made in implementing corrective action.
- Advise in the development of performance measures, standards, and procedures for the evaluation of agency programs.
- Assess the reliability and validity of the information provided on performance measures and standards, and make recommendations for improvement.
- Review actions taken to improve program performance and meet program standards, and make recommendations for improvement.
- Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.



- Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies.
- Review rules relating to the programs and operations of the agency and make recommendations regarding their impact.

Organization

The OIG is under the direction of the Inspector General (IG) and organizationally aligned under the FDLE Commissioner. The IG is appointed by and reports directly to the Commissioner. Therefore, all members within the OIG are organizationally independent of other Departmental entities/programs subject to audit, evaluation, and investigation. As of June 30, 2018, the OIG was comprised of five positions.

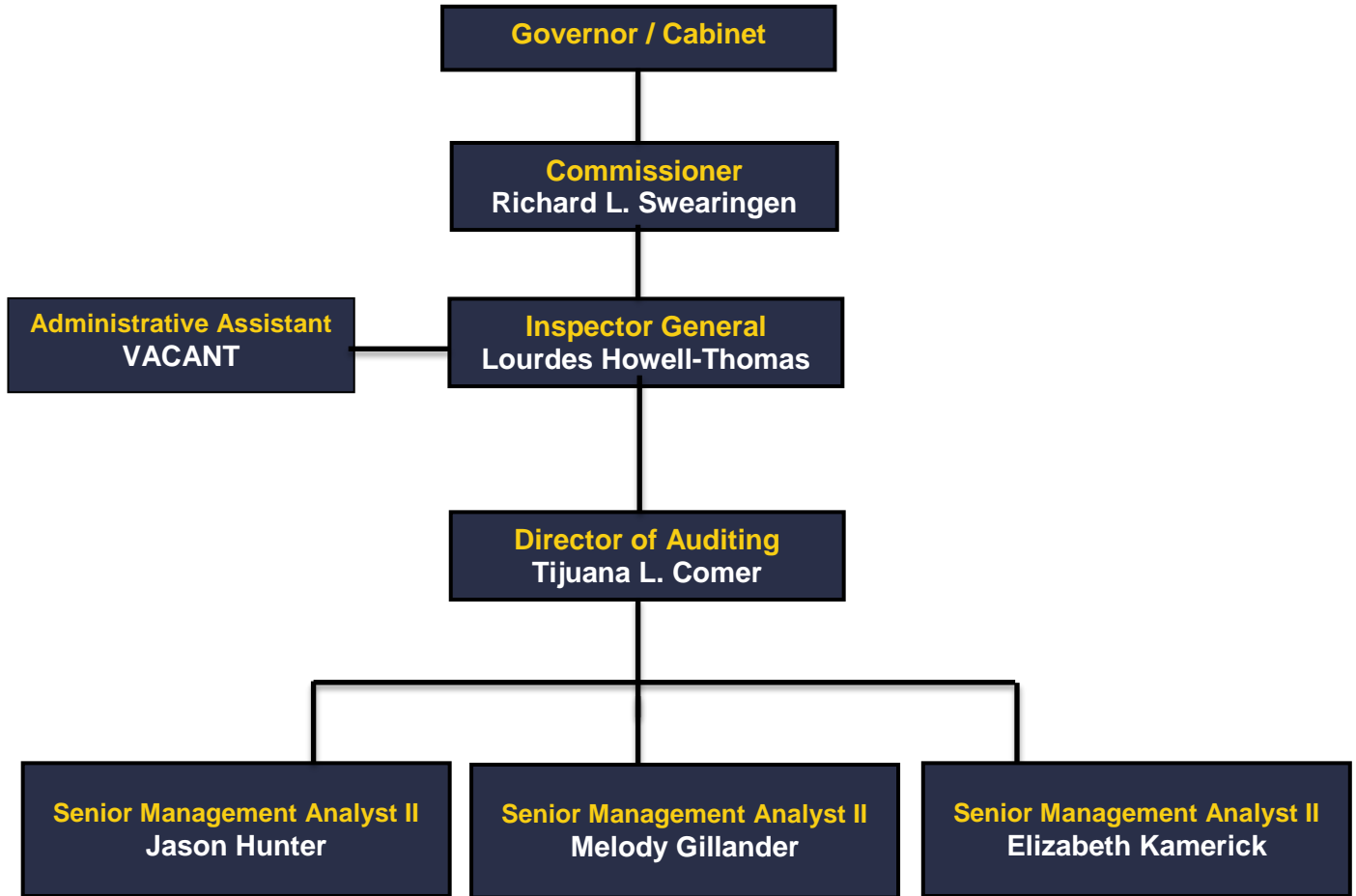
Audit and investigative work in the OIG is conducted in accordance with the *Principles and Standards for Offices of Inspector General*, published by the Association of Inspectors General (AIG). Audit engagements are also conducted in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*, published by the United States Government Accountability Office.

The Audit function is supervised by the Director of Auditing (DOA), and provides independent, objective assurance, and consulting services designed to add value and improve the Department's operations. In carrying out the auditing duties and responsibilities of the statute, the OIG reviews and evaluates internal controls necessary to ensure the fiscal accountability of the Department. The OIG conducts compliance, electronic data processing, and performance audits of the Department and prepares audit reports of findings.

The Investigation function is supervised by the IG and is responsible for intake and evaluation of internal and citizen complaints received via postal mail, made to the Whistle-blower Hotline or via online complaint form. In carrying out the investigative duties and responsibilities specified in the statute, the OIG initiates, conducts, supervises, and coordinates investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in state government.



Florida Department of Law Enforcement Office of Inspector General





Staff Qualifications

OIG members have a wide range of backgrounds and experience in a variety of disciplines including accounting, auditing, investigations, and program evaluation. OIG members continually enhance their professional skills by attending continuing education, maintaining professional certifications, and actively participating in a number of professional organizations.

Training

OIG members must complete the following training requirements:

- Per GAGAS standards, every two years auditors must complete 80 hours of continuing professional education that enhances the auditor's professional proficiency to perform audits.
- Per CALEA¹ accreditation standards, accreditation managers must complete refresher training every three years.
- Per CFA² OIG accreditation standards, investigation members must receive a minimum of 40 hours of continuing professional education every two years, with at least 12 hours in subjects directly related to their primary responsibility.

Professional Certifications

OIG members collectively maintain the following certifications:

- Certified Inspector General
- Certified Inspector General Auditor
- Certified Internal Auditor
- Certified Fraud Examiner
- Certified CFA Assessor
- CFA Accreditation Manager
- CJSTC³ Certified Instructor
- Florida Certified Contract Manager
- Certified Evidence Specialist

¹ Commission on Accreditation for Law Enforcement Agencies

² Commission for Florida Law Enforcement Accreditation

³ Criminal Justice Standards and Training Commission



Professional Affiliations

Members of the OIG maintain membership or association with the following organizations:

- National Association of Inspectors General (AIG)
- Florida Chapter of the Association of Inspectors General (FCAIG)
- The Institute of Internal Auditors, Inc. (IIA)
- Tallahassee Chapter of the Institute of Internal Auditors, Inc. (TCIIA)
- The Association of Certified Fraud Examiners (ACFE)
- Commission for Florida Law Enforcement Accreditation (CFA)
- National Organization of Black Law Enforcement Executives (NOBLE)
- Property and Evidence Association of Florida (PEAF)



Summary of Projects Completed / Active during FY 2017-2018

The following briefly summarizes the OIG activities completed and/or coordinated during the FY 2017-2018.

AUDIT

The purpose of the Audit Section is to help FDLE accomplish its objectives by providing management with independent and objective assurance and consulting reviews regarding risk management, internal control, and governance processes of financial, operational, information technology, and other relevant areas. Per section 20.055(6), F.S., each inspector general shall review and evaluate internal controls necessary to ensure the fiscal accountability of the state agency.

During FY 2017-2018, the following audit activities were completed or were in progress:

Audits

Information and Evidence Funds Audit

IA-1617-01 – In Progress

- This project was initiated based on the FY 2016-2017 Annual Plan. The objectives of this audit are to determine if Information and Evidence Funds are issued and used in compliance with policies and procedures, and to identify any weak or non-existent internal controls and identify opportunities to improve the management of the fund. Due to lack of resources, this audit was placed on hold. The audit was reassigned May 2018.

Criminal History Revenue Services Audit

IA-1718-02 – In Progress

- This project was initiated based on the FY2017-2018 Annual Plan. The objectives of this audit are to determine the Department's loss revenue associated with payment for bill me later customers, identify efficiencies in the billing collection of criminal history services revenue, determine loss revenue associated with the Department's absorption of credit card convenience fees, and identify potential credit card convenience fees to apply to credit card transactions.

Capitol Complex Building Access Card Program Audit

IA-1718-03 – In Progress

- This project was initiated based on the FY 2017-2018 Annual Plan. The objectives of this audit are to review the current access and screening protocols used to issue identification badges for the Capitol Complex facility. The review will also identify opportunities to improve the issuance of access cards.



Information Security Audit

IA-1516-02 – January 2018

- The objectives of this audit were to test and evaluate compliance with the requirements established in FDLE policy, statutes, and administrative code for the network and application access process.
- The report included three findings with recommendations. Management agreed with all of our recommendations. (*This report is confidential.*)

Internal Projects

Risk Assessment and Annual Plan for FY 2017-2018

RA-1718 – July 2017

- Section 20.055(i), F.S., requires the OIG to develop annual and long-term audit plans based on the findings of periodic risk assessments. The purpose of the OIG Annual Plan is to identify, select, and plan the allocation of resources for the upcoming fiscal year. The overriding consideration during the development of the plan is to provide the greatest benefit to the Department with our limited resources.
- The OIG conducted an annual risk assessment in order to identify the Department's programs and activities, and evaluate risk associated with those activities. Based on the results of the risk assessment as well as input from management, the OIG developed the Annual Plan for FY 2017-2018. This plan was completed and approved by the Commissioner on July 12, 2017.

Risk Assessment and Annual Plan for FY 2018-2019

RA-1819 – In Progress

- Section 20.055(i), F.S., requires the OIG to develop annual and long-term audit plans based on the findings of periodic risk assessments. The purpose of the OIG Annual Plan is to identify, select, and plan the allocation of resources for the upcoming fiscal year. The overriding consideration during the development of the plan is to provide the greatest benefit to the Department with our limited resources.
- The OIG conducted an annual risk assessment in order to identify the Department's programs and activities, and evaluate risk associated with those activities. Based on the results of the risk assessment as well as input from management, the OIG developed the Annual Plan for FY 2018-2019.



Civil Asset Forfeiture

IP-1516-01 – March 2018

- Per section 932.7061, F.S., every law enforcement agency shall submit an annual report to FDLE indicating whether the agency has seized or forfeited property under the Florida Contraband Forfeiture Act. FDLE shall submit an annual report to the Office of Program Policy Analysis and Government Accountability compiling the information and data in the annual reports submitted by the LEAs. The OIG is coordinating development of processes and reporting forms that will be used by LEAs to report the data. The first annual reports were due from the LEAs on October 10, 2017.
- The OIG received a total of 401 annual civil asset forfeiture reports.
 - 282 Police Departments;
 - 66 Sheriff's Offices;
 - 38 State Agencies; and
 - 15 Colleges/Universities.
- The OIG submitted the FY 2016-2017 State of Florida Civil Asset Forfeiture Annual Report to OPPAGA in March 2018.

Civil Asset Forfeiture

IP-1718-01 – In Progress

- Per section 932.7061, F.S., every law enforcement agency shall submit an annual report to FDLE indicating whether the agency has seized or forfeited property under the Florida Contraband Forfeiture Act. FDLE shall submit an annual report to the Office of Program Policy Analysis and Government Accountability compiling the information and data in the annual reports submitted by the LEAs.
- The 2018 Legislative Session approved to change the new reporting due date from October 10 to December 1 with an effective date of July 1, 2018.
- The OIG is coordinating the development of a new web application that will be used by LEAs to report the annual civil asset forfeiture data. The anticipated deployment date for the web application is September 2018.

OIG Accreditation

On-going

- In accordance with Commission for Florida Law Enforcement Accreditation, Inc., *Inspector General Standards Manual*, the OIG is responsible for the continued evaluation of its progress toward meeting accreditation standards by monitoring changes to the written directive system and how they affect OIG compliance. The OIG is scheduled for reaccreditation assessment in November 2019.



Special Projects / Attestation Engagements

Driver And Vehicle Information Database (DAVID) Compliance Review

SP-1617-01 – July 2017

- In accordance with the FY 2017-2018 Annual Plan, the OIG conducted a review of FDLE's compliance with the Driver and Vehicle Information Database (DAVID) Memorandum of Understanding (MOU), entered into with the Department of Highway Safety and Motor Vehicles (DHSMV).
- The MOU requires FDLE to submit an annual affirmation statement indicating compliance with the requirements of the MOU no later than 45 days after the anniversary date of the agreement. Based on audit work performed, the OIG determined FDLE complied with the DAVID MOU and the annual affirmation statement was submitted to DHSMV on **July 27, 2017**.

Performance Measure Assessment

PM-1718-01 – In Progress

- Section 20.055, F.S., requires each state agency's OIG to perform a validity and reliability assessment of their agency's performance measures.
- The objectives of this review were to assess the reliability and validity of the information provided on five new or revised performance measures, and make recommendations for improvement, if appropriate.
 - *This project was completed in September 2018, prior to the issuance of the Annual Report.*

Single Audit Compliance Review

SA-1516 – August 2017

- In accordance with section 215.971, F.S., the OIG staff reviews single audit annual reports submitted by Department grant managers to ensure compliance with the Florida Single Audit Act.
- The OIG received FY 2015-2016 single audit documentation for seven state financial assistance programs for the following divisions:
 - Criminal Justice Professionalism – Trust Fund Section
 - Business Support Program – Office of Criminal Justice Grants
 - Investigations and Forensic Science – Office of Policy Development and Planning



Follow-Up Audits/Reviews

Information Security Audit (Six-Month Follow-up)

FP-IA151602-06 – In Progress

- The objectives of this project were to assess implementation of audit recommendations made in the OIG final report, *Information Security Audit* issued in January 2018, which contained three findings with recommendations. To assess implementation of the recommendations, a six-month follow-up was completed in July 2018. Management had taken corrective action steps towards implementing the recommendations. Of the three findings, two were closed and one remains open. The finding that remains open was partially implemented. The open finding will be re-evaluated at a future date.
 - *This project was completed in September 2018, prior to the issuance of the Annual Report.*

Armory Audit (12-Month Follow-up)

FP-IG0058-12 – September 2017

- The objectives of this project were to assess implementation of audit recommendations made in the OIG final report, *Armory Audit*, issued in June 2016, which contained seven findings with recommendations. To assess implementation of the recommendations, a six-month follow-up review was completed in February 2017, and concluded that management had taken some steps towards implementing the recommendations. Of the seven findings, four were closed and three remained open. A twelve-month follow-up was completed in September 2017, and concluded that management had taken corrective action steps towards implementing the recommendations; however, three findings remain open and will be re-evaluated at a future date.

Armory Audit (Follow-up)

FP-IG0058-20 – In Progress

- The objectives of this project were to assess implementation of audit recommendations made in the OIG final report, *Armory Audit*, issued in June 2016, which contained seven findings with recommendations. At the conclusion of the twelve-month follow-up in September 2017, three findings with recommendations remained open. A follow-up was initiated in June 2018 to assess implementation of the remaining recommendations.

Review of FDLE Grant Financial Management Process (Follow-up)

FP-MR1516-12 – October 2017

- The objectives of this project were to assess implementation of recommendations made in the OIG final report, *Review of FDLE Grant Financial Management Process Audit*, issued in February 2016, which contained three findings with recommendations. To assess implementation of the recommendations, a follow-up review was conducted and concluded that management had taken corrective action steps to implement the recommendations and all three findings were closed.



External Projects

The OIG serves as liaison with external auditors, acting as the coordinating point for external audits and reviews. During FY 2017-2018, the OIG coordinated with the Office of Program Policy Analysis and Government Accountability (OPPAGA), the Auditor General (AG), the Office of the Chief Inspector General (CIG), and other external auditors.

Auditor General

The OIG coordinated the following AG activities during the fiscal year:

Quality Assurance Review

Report No. 2018-043 – November 2017

- The Auditor General's objectives for this audit were to evaluate management's performance in establishing and maintaining internal controls and in administering assigned responsibilities in accordance with applicable laws, rules, contracts, grant agreements, and other guidelines.

Auditor General Response:

In our opinion, the quality assurance and improvement program related to the Department of Law Enforcement, Office of Inspector General's internal audit activity was adequately designed and complied with during the review period July 2016 through June 2017 to provide reasonable assurance of conformance with applicable professional auditing standards and the Codes of Ethics issued by the Institute of Internal Auditors. Also, the Office of Inspector General generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general internal audit activities.

Federal Awards Audit FY 2016-2017

Report No. 2018-189, March 2018

- The Auditor General conducted its annual review of Federal Awards. There were no findings identified for FDLE.

Office of Program Policy Analysis and Government Accountability

The OIG coordinated the following OPPAGA activities during the fiscal year:

Triennial Review of Sexual Predator/Offender Registration

In Progress

- As required by s. 943.04353, F.S., OPPAGA conducted their triennial review on the effectiveness of Florida's sexual predator and sexual offender registration process and community and public notification provisions. The report included two issues for FDLE to consider regarding monitoring the accuracy of the registry information for offenders and predators in confinement, and working with public colleges and universities to develop best practices for comparing their student, employee, and volunteer information to the sex offender registry. A preliminary meeting was held in May 2018.



Social and Economic Impact of Opioid Abuse and Misuse in Florida

In Progress

- At the request of the Legislature, the OPPAGA is gathering information concerning the social and economic impact in Florida resulting from opioid abuse and misuse. A preliminary meeting was held in April 2018.

Commercial Sexual Exploitation of Children in Florida

Report No. 18-05, June 2018

- As directed by Section 409.16791, F.S., OPPAGA conducted an annual study on the commercial sexual exploitation of children in Florida.

Office of the Chief Inspector General

The OIG coordinated the following CIG activities during the fiscal year:

CIG Assistance – Richardson Complaint

Administratively Closed – December 2017

- This is a special project initiated by the Governor's Chief Inspector General (CIG). The CIG assembled a multi-agency team to review a complaint made by Representative Richardson regarding the 2008 award of a Department of Management Services contract to run a private prison. The previous Director of Auditing (DOA) was a member of the team. Involvement with this project transferred with the previous DOA to another state agency. This project was administratively closed at FDLE.

Agency for State Technology (AST)

The OIG coordinated the following AST activities during the fiscal year:

Quest Software License Compliance Review

In Progress

- The objective of this review will focus on the deployment of Quest software products in FDLE in accordance with the Software Transaction Agreement. Deloitte will facilitate the monitoring review on behalf of Quest software. The onsite monitoring visit occurred in June 2018.

2018 Compliance Assessment for Rule 74-1, Florida Administrative Code

May 2018

- The Department submitted the Information Technology Project Inventory and Project Management Survey.



Florida Division of Emergency Management (DEM)

The OIG coordinated the following DEM activities during the fiscal year:

State Homeland Security Grant Program Onsite Monitoring Project

June 2018

- An onsite monitoring of the FY 2016 Homeland Security Grant (Sub-Recipient Agreement Number: 17-DS-V4-13-00-16-258) was conducted in accordance with performance and financial monitoring reporting requirements.

DEM Response:

Financial – No breach of statutory, regulatory, or contractual provision was noticed and no FDEM specific findings or concerns were identified.

Programmatic – All areas reviewed were well-managed and no FDEM specific findings or concerns were identified.

United States Social Security Administration (SSA)

The OIG coordinated the following SSA activities during the fiscal year:

Memorandum of Understanding on Provision of Alias Social Security Program

In Progress

- FDLE was notified in May 2018 that the SSA would be conducting an audit per the Memorandum of Understanding on Provision of Alias Social Security Program. The objective of the audit is to evaluate FDLE as the state Point of Contact compliance with the broad list of responsibilities identified in the MOU. A preliminary meeting was held May 2018.
 - *This project was placed on hold in August 2018, at the request of SSA.*

United States Department of the Treasury (Treasury)

The OIG coordinated the following Treasury activities during the fiscal year:

Treasury Forfeiture Fund Audit

In Progress

- FDLE was notified in February 2016 that the Treasury Executive Office for Asset Forfeiture would be conducting a review of the FDLE Treasury Forfeiture Fund. The objective of their review was to ensure that Treasury policy is followed with regard to the maintenance and use of Treasury equitable sharing funds received. As of June 2018, the Department has not received the final report.



United States Department of Justice (DOJ)

The OIG coordinated the following DOJ activities during the fiscal year:

Office of Justice Programs – National Institute of Justice (NIJ)

In Progress

- The objectives of this review are to conduct grant monitoring and oversight of the financial, administrative, and programmatic activities of grantees for the following two Forensic Grants:
 - 2016-CD-BX-0030, FDLE
 - 2017-CD-BX-0010, FDLE

NIJ identified four findings regarding the financial, administrative, and programmatic activities associated with the grants.

- *The Department's response was provided in July 2018, prior to the issuance of the Annual Report.*

Open Audit Findings

All significant recommendations described in previous annual reports have been implemented.

INVESTIGATIONS

Section 20.055, F.S., specifies the duties and responsibilities of the OIG as it relates to investigations and whistle-blower investigations.

During FY 2017-2018, the following investigative activities were completed or in progress:

Administrative Investigation

IV-1718-02 – In Progress

- During FY 2017-2018, the OIG received an investigative complaint. The review is in progress.
 - *The investigation was closed in September 2018, prior to the issuance of the annual report.*

Administrative Investigation

IV-1718-04 – In Progress

- During FY 2017-2018, the OIG received an investigative complaint. The review is in progress.
 - *The investigation was administratively closed in September 2018, prior to the issuance of the annual report.*



Non-Whistle-blower Investigation

IV-1718-03 – May 2018

- During FY 2017-2018, the OIG received a Whistle-blower complaint; after further review, it was determined that it did not meet the requirements under the Whistle-blower Act.

CITIZEN ASSISTANCE

During FY 2017-2018, the OIG received and responded to:

- Approximately **1200** individual requests for assistance regarding Civil Asset Forfeiture;
- **69** individual request for assistance; and
- **9** Spanish translations.

Requests are received via postal mail, telephone, and email (OIGReportFraud@fdle.state.fl.us or ForfeitureReports@fdle.state.fl.us). Complaints are also received via referral from the Executive Office of the Governor, CIG



OTHER OIG ACTIVITIES

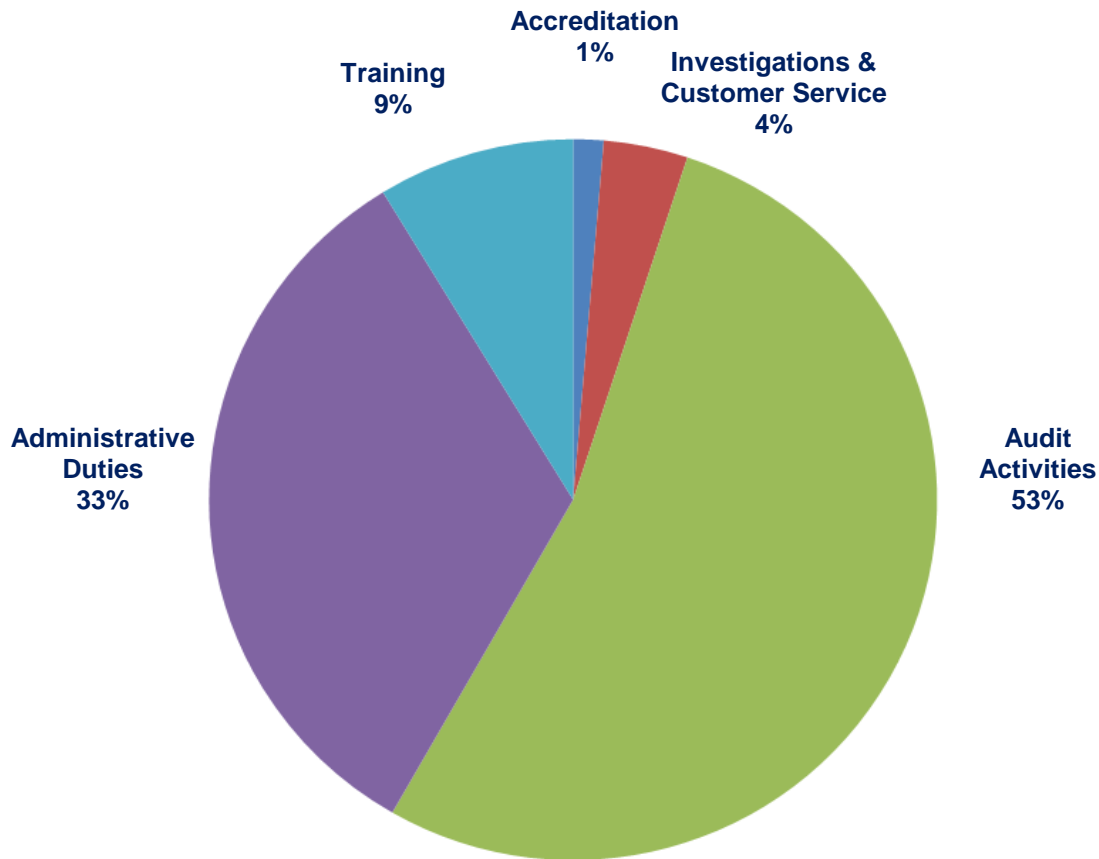
During the FY 2017-2018, the OIG also conducted or participated in the following activities:

- Legislative Analysis
- Partnership Meetings
- Training Coordination
- OIG Procedures Manual Revision
- Civil Asset Forfeiture Web Application Development
- Criminal Justice Agency Profile Report (CJAP) Survey
- Consultative Services



PERCENTAGE OF TIME STAFF SPENT ON OIG ACTIVITIES⁴

The chart below depicts a breakdown of how the OIG allocated its resources during FY 2017-2018.



⁴ Excluding Management Oversight, Leave and Holidays

Administrative duties includes: Meetings, Timesheets, Attending FDLE Events, Assisting partners with training held at FDLE, Member Hiring, and other Office Duties.

Note: Significant time was spent during FY 2017-2018 on the hiring process for three new Senior Management Analyst II. .