

OFFICE OF EARLY LEARNING  
OFFICE OF INSPECTOR  
GENERAL

*Annual Report for Fiscal Year 2018-19*



August 23, 2019

Shan Goff  
Executive Director

Stacey Emminger  
Interim Inspector General



OFFICE OF  
**Early Learning**

LEARN EARLY. LEARN FOR LIFE.

**Richard Corcoran**  
Commissioner of Education  
**Shan Goff**  
Executive Director

August 23, 2019

Ms. Shan Goff, Executive Director  
Office of Early Learning  
250 Marriott Drive  
Tallahassee, FL 32399

Subject: OIG Annual Report for Fiscal Year 2018-19

Dear Executive Director Goff:

In accordance with Section 20.055(8), Florida Statutes, I am pleased to present the Annual Report for the Office of Inspector General (OIG). This report reflects the activities and accomplishments of the OIG for fiscal year 2018-19.

We remain committed to the goals of the Office of Early Learning and to our work to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency.

If you have any questions or require additional information, please contact me. Thank you for your continued support of our efforts.

Sincerely,

A handwritten signature in blue ink that reads "Stacey Emminger".

Stacey Emminger  
Interim Inspector General



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## INTRODUCTION

The Office of Early Learning (OEL) is established within the Department of Education (DOE), Office of Independent Education and Parental Choice. The Commissioner of Education appoints OEL's Executive Director. A memorandum of understanding exists to separate the duties of the DOE Inspector General (IG) and those of the OEL IG. The OEL IG is responsible for all duties related to the operations of the OEL and may investigate allegations of fraud, waste, or abuse regarding OEL's grantees and contractors.

Section 20.055, Florida Statutes (F.S.), defines the duties and responsibilities of agency inspectors general. The statute requires that the Office of Inspector General (OIG) submit an annual report, no later than September 30 of each year, summarizing the OIG's activities during the preceding state fiscal year. This report includes, but is not limited to:

- Activities relating to the development, assessment, and validation of performance measures.
- Significant abuses and deficiencies relating to the administration of programs and operations of the agency disclosed by investigations, audits, reviews, or other activities during the reporting period.
- Recommendations for corrective action made by the IG during the reporting period with respect to significant problems, abuses, or deficiencies identified.
- A summary of each audit and investigation completed during the reporting period.

- The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed.

To comply with statutory requirements and to provide state office staff and interested parties with information on the OIG's progress in accomplishing its mission, this annual report is presented to the OEL Executive Director, the Florida Chief Inspector General (CIG), and the Auditor General (AG).

## OIG MISSION

The mission of the OIG is to protect and promote public integrity and accountability within the OEL through audits and investigations that detect fraud, waste and abuse, and administrative violations. Additionally, the OIG offers consulting services to assist management in their efforts to maximize effectiveness and efficiency.

## OIG DUTIES AND RESPONSIBILITIES

Section 20.055, F.S., outlines the following OIG duties and responsibilities.

- Advise in the development of performance measures, standards, and procedures for the evaluation of state agency programs.



- 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, before submission of such information pursuant to Section 216.1827, F.S.
- Review the actions taken by the state agency to improve program performance, meet program standards, and make recommendations for improvement, if necessary.
- Provide direction for, supervise and coordinate audits, investigations and management reviews relating to the programs and operations of the state agency.
- Conduct, supervise, or coordinate other activities carried out or financed by the agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- Keep the CIG and OEL Executive Director informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the agency. Recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action.
- Ensure effective coordination and cooperation between the AG, federal auditors, and other governmental bodies with a view toward avoiding duplication.
- Review and evaluate internal controls necessary to ensure fiscal accountability of the agency.
- Review, as appropriate, rules relating to the program and operations of the agency and make recommendations concerning their impact.
- Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.
- Comply with the *General Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General (AIG).

Pursuant to legislative intent, the OIG also administers the public assistance fraud referral process for the OEL and coordinates the process with external partners to ensure maximum efficiency.

## OIG ORGANIZATIONAL STRUCTURE

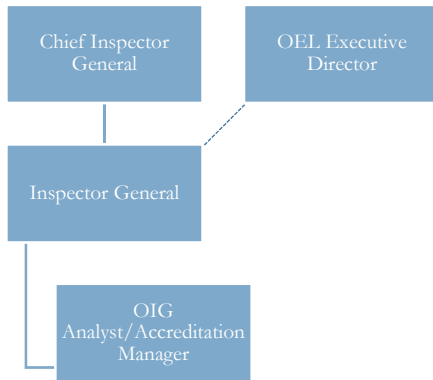
The IG reports functionally to the CIG and administratively to the OEL Executive Director. The OIG has two professional positions, with one position supervised by the IG. Staff collectively possess diverse professional and educational backgrounds that provide the OIG with the expertise to fulfill its statutory requirements.

Pursuant to state statute, the OIG has full, free, and unrestricted access to all OEL activities, records, data, properties, functions, and staff necessary to effectively carry out its responsibilities.



**OIG Organizational Chart**

The IG position was vacant from June through July 2019. The OIG Analyst/Accreditation Manager served as the Interim IG during this period.



**OIG STAFF QUALIFICATIONS**

The *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors (IIA), and the *Principles and Standards for Offices of Inspector General* as published and revised by the AIG; require internal auditors to maintain their professional proficiency through continuing education and training. OIG staff complete training each year to improve knowledge and skills in audits and investigations.

During the fiscal year, OIG staff held numerous professional certifications. The Professional Certifications table details the types and number of certifications held by OIG staff.

Professional Certifications	No.
Certified Internal Auditor	2
Certified Information Systems Auditor	1
Certified Information Systems Security Professional	1
Certified Inspector General	1
Certified Inspector General Auditor	2
EEO Investigator	1
Notary Public	2

The OIG staff are active in professional organizations that support audits and investigations, such as:

- The Association of Inspectors General (National and Local Chapters);
- The Institute of Internal Auditors (National and Local Chapters);
- The Association of Certified Fraud Examiners;
- ISACA (National and Local Chapters); and
- The United Council on Welfare Fraud.

This participation assists staff in maintaining a high level of proficiency in their profession and areas of certification.

**INTERNAL AUDIT ACTIVITY**

The mission of the OIG’s internal audit activity is to provide independent, objective assurance (audits), consulting engagements, and management reviews designed to add value and improve the OEL’s operations. The internal audit activity helps the OEL accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Audits and consulting engagements are conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, published by the IIA, and the applicable *Principles and Standards for Offices of Inspector General*, published and revised by the AIG.



Management reviews are reviews of the OEL's units, programs, or processes that do not require a comprehensive audit. Management reviews result in written reports or letters of findings and recommendations, including responses by management. Management reviews are conducted in accordance with the applicable *Principles and Standards for Offices of Inspector General*, published by the AIG. These reports are distributed internally to the OEL Executive Director and affected program managers. In addition, select reports are sent to the CIG and to the AG.

#### Internal Audit Accomplishments

During fiscal year 2018-19, the OIG completed one internal audit and one management review. The following summaries describe the results of the engagements completed by the OIG during the fiscal year.

#### **OEL Match Reporting Process, Report No. 17-IA004, Issued: June 24, 2019**

The purpose of the audit was to evaluate OEL's internal controls related to processing match funds to provide management with reasonable assurance that OEL's processing of match funds complied with relevant laws, rules, policies, and procedures. The report included eight findings and nine recommendations:

Finding 1: Some OEL users had inappropriate access privileges to production resources. We recommend that the Financial Administration and Budget Services (FABS) Manager continue to ensure that user access privileges to the VBA production source code is limited to only those users who require access based on assigned job duties.

Finding 2: Change management controls over the Module needed improvement in the areas of authorization, documentation, testing, and approval. We recommend the FABS Manager ensure change controls are established and implemented for the Module.

Finding 3: The test library for the Module code was not appropriately controlled. We recommend the FABS Manager ensure that all elements of the Module are stored in a location that has controlled access and is periodically backed up.

Finding 4: Documentation of the Module needed improvement. We recommend the FABS Manager ensure documentation is maintained describing the purpose, use, and business objective for the Module.

Finding 5: The functionality of the Module needed improvement. We recommend the FABS Manager ensure that there is a disciplined process for testing changes to the Module.

Finding 6: Procedures for processing match were outdated and not finalized. We recommend the FABS Manager ensure that written desk procedures for reviewing and approving grantee Local Match Reports are finalized and distributed. Additionally, we recommend the FABS Manager ensure that the procedures for preparing the Financial Report Form ACF-696 are updated and distributed.





Finding 7: Reconciliations between system data and corresponding data on the “Statewide Match Summary Report” were not performed. We recommend the FABS Manager continue efforts to ensure that procedures to require reconciling the match recorded in EFS for SR Program child care slots to the corresponding match data on the “Statewide Match Summary Report” are performed, documented, and kept up-to-date.

Finding 8: OEL conducted limited monitoring of OEL grantee and contractor match contribution documentation. We recommend the Deputy Director of Operations and Programs consider including match contribution documentation of direct services for the SR program in OEL’s monitoring.

Management concurred with findings Nos. 1 through 7 and indicated that corrective actions had begun. For finding No. 8 the OIG recommended management consider including match contribution documentation of direct services for the school readiness (SR) program in OEL’s monitoring. Management responded that they considered the inclusion of match in OEL’s monitoring; however, the current monitoring scope provided sufficient coverage, and that OEL will continue to assess the monitoring scope and programmatic risk.

**Performance Measure Management  
Review, Report No. 19-MR02  
Issued: October 1, 2018**

The OIG conducted an annual review of the performance measures for the OEL’s Long Range Program Plan as required by Section

20.055, F.S. The OIG assessed the reliability and validity of the two performance measures provided to the Legislature. The OIG determined the performance measure; “Number of 4 year olds enrolled in Voluntary Prekindergarten” was reliable and valid. The OIG did not assess the performance measure, “Percentage of children completing the Voluntary Prekindergarten Program (VPK) ready for school when they enter kindergarten,” as data was not available for the measure.

**Internal Audit Engagements in  
Progress**

At the close of the fiscal year 2018-19, the OIG had two internal audit engagements in progress. Each engagement is scheduled for completion during fiscal year 2019-20.

**Confidential Data Audit, No. 19-IA01**

The purpose of this audit is to review and evaluate the internal controls in place to secure confidential and sensitive data housed within OEL’s resources.

**Spreadsheet Reliance Audit, No. 19-IA02**

OEL has increased its dependence on the use and automation of spreadsheets. This audit would review and evaluate the controls in place surrounding the use of spreadsheets and their automation.





### Follow-up Activities

The *International Standards for the Professional Practice of Internal Auditing*, published by the IIA, and the *Principles and Standards for Offices of Inspector General*, published by the AIG, require the OIG to establish a follow-up process to monitor and ensure management implemented corrective actions. During fiscal year 2018-19, the OIG followed up on three internal engagements.

#### **Internal QAR, No. 19-FP01**

The OIG followed-up on recommendations made in the OIG Internal QAR, OIG No. 17-IA002, dated June 29, 2018. The OIG took appropriate corrective actions to address one finding and seven opportunities for improvement, which included 16 recommendations.

#### **IT Risk Assessment, No. 19-FP02**

The OIG followed-up on recommendations made in the IT Risk Assessment, OIG No. 17-IA003, dated June 29, 2018. The report included 26 findings and 30 recommendations. The OIG verified that corrective actions were completed on two findings and two recommendations. The OIG will initiate a follow-up project on the remaining open findings and recommendations in the Fall of 2019.

#### **SR On-Boarding, No. 19-FP03**

The OIG followed-up on recommendations made in the SR On-Boarding Audit, OIG No. 17-IA001, dated May 8, 2018. The OIG verified that Early Learning Coalitions (ELCs) took corrective action to address the remaining open observation No. 1.

In accordance with Section 20.055(6)(h), F.S., the OIG monitors the implementation of OEL's responses and planned corrective actions to findings and recommendations made in reports issued by the AG or by the Office of Program Policy Analysis and Government Accountability (OPPAGA).

The OIG is also required to provide a written report to the CIG on the status of planned corrective actions no later than six months after an AG or OPPAGA report is published. A copy of the report is also provided to the Joint Legislative Auditing Committee and the Executive Director of the OEL. During the fiscal year, no external audits required follow-up activities.

Section 20.055, F.S., requires the OIG to ensure effective coordination and cooperation between the AG, federal auditors, and other governmental bodies with a view toward avoiding duplication. The OIG is the primary liaison with external entities and is responsible for coordinating and facilitating responses to audits or reviews by those entities.

During fiscal year 2018-19, eight external engagements were in progress or initiated. Out of those eight engagements, two external audits and three external assessments were published. The External Audit Coordination table details the external engagements that the OIG monitored during the fiscal year.



External Audit Coordination		
Entity	Report No. / Date	Report Name
Agency for State Technology (AST)	AST-ED-RP-0002 /December 2018	AST Information Technology Standards and Guidelines Assessment Report <sup>1</sup>
AG	2019-186 /March 2019	AG, State of Florida – Statewide Federal Awards Audit <sup>2</sup>
AG	2019-203 /April 2019	AG, Operational Audit - TEACH Scholarship Program and the CCR&R Network <sup>3</sup>
AG	2019-034 /October 2018	AG, OIG External Quality Assurance Review <sup>4</sup>
OPPAGA	Child Care Executive Partnership Program Research Memorandum and PPT Presentations /January 2019	OPPAGA Research Project on Early Learning Coalitions' 6% funding match; the Child Care Executive Partnership Program; and Early Learning Performance Funding

External Audit Coordination		
Entity	Report No. / Date	Report Name
AST <sup>5</sup>	N/A / In Progress	2019 Compliance Assessment
AG	N/A / In Progress	AG, State of Florida – Statewide Federal Awards Audit <sup>6</sup>
AG	N/A / In Progress	AG, Operational audit of the Department of Education

### Enterprise Projects

To gain efficiencies of working together, the CIG and agency Inspectors General meet on a regular basis to discuss and evaluate enterprise issues and projects. Additionally, the OIG assists staff from various OIGs with special requests and provides support for Enterprise projects.

<sup>1</sup> The AST performed an assessment of the OEL's compliance with the Florida Information Technology Project Management and Oversight Standards as enumerated in Rule Chapter 74-1, Florida Administrative Code. There were no findings or recommendations for the OEL.

<sup>2</sup> The AG selected major program 93.558 Temporary Assistance for Needy Families to audit. There were no findings or recommendations for the OEL.

<sup>3</sup> The AG issued five new findings and followed up on prior audit findings Nos. 1 through 3 in report No. 2016-192.

<sup>4</sup> The AG determined that the quality assurance and improvement program related to the OEL's OIG internal audit activity was adequately designed and complied with during the review period July 2017 through June 2018 to provide reasonable assurance of conformance with applicable professional auditing standards and the Code of Ethics issued by the Institute of Internal Auditors.

<sup>5</sup> AST was merged into the Department of Management Services as the Division of State Technology in 2019.

<sup>6</sup> The AG selected major programs 93.575 and 93.596 Child Care Development Fund cluster to audit.



## INVESTIGATIVE ACTIVITY

In addition to audit activities, Section 20.055, F.S., details investigative duties of the OIG. The OIG shall initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses. In line with this, the OIG is required to:

- Receive complaints and coordinate all activities of the agency as required by the Whistle-blower's Act, pursuant to Sections 112.3187-112.31895, F.S.;  
Receive and consider the complaints that do not meet the criteria for an investigation under the Whistle-blower's Act and conduct, supervise, or coordinate such inquiries, investigations, or reviews as appropriate; and
- Report expeditiously to the Department of Law Enforcement or other law enforcement agencies, as appropriate, whenever the IG has reasonable grounds to believe there has been a violation of criminal law.

### Complaint Receipt and Handling

During fiscal year 2018-19, the OIG received, reviewed, and processed 127 new complaints from SR and/or VPK recipients or applicants, a Head Start recipient, child care providers, independent contractors, the general public, a state agency employee, and anonymous tips.

The OIG received complaints from many sources including: letters, telephone calls, e-mails, other state agencies, and the OIG's office.

## Categorization of Complaints

*Provider Policy and/or Health & Safety Violations* allegations associated with health & safety violations, policy violations, or conduct of provider management or employees.

*ELC Policy* allegations associated with ELC's violating policies, such as contract disputes, not providing services, or conduct of ELC management or employees.

*Public Assistance Fraud* allegations associated with a recipient or provider regarding potential public assistance fraud activities.

*OEL Policy* allegations or concerns regarding VPK readiness rates and assessment concerns, or system issues, and/or state statute.

*Other* allegations not within the OIG's jurisdiction; information provided wherein no investigative review or engagement was required.



All complaints were categorized, indexed, and assigned a case number for tracking and follow-up. The following diagram depicts how the OIG closed the 127 complaints received.

- 79** referred to other entities<sup>7</sup>
- 33** referred to OEL
- 10** handled by the OIG
- 4** referred to both OEL and other entities<sup>6</sup>
- 1** handled by the OIG and OEL

The OIG performed a preliminary inquiry into 11 of the 127 complaints. A preliminary inquiry is an examination conducted based on limited information in an effort to verify the veracity of a complaint or allegation. The inquiry should determine if supporting information is available to indicate the need for a complete investigation. Specific preliminary inquiries conducted during fiscal year 2018-19 included:

- 19-C0007 Allegations made against an ELC regarding their OEL grant agreement and policy violations. The OIG conducted an investigation and shared the investigative findings with OEL management and the ELC.
- 19-C0014 Allegations made against an ELC regarding their OEL grant agreement and policy violations. The OIG initiated an investigation that was on going at fiscal year-end.

- 19-C0016 Allegations made against an OEL independent contractor regarding disclosure of information. An inquiry by the OIG found that information disclosed did not demonstrate reasonable cause to suspect a violation of federal, state, or local law, rule, or regulation. No further OIG activity was warranted. The OIG referred the complaint to OEL management for review and action deemed appropriate.
- 19-C0028 Allegation made against a VPK provider regarding a policy violation of VPK and Exceptional Student Education reimbursements. An inquiry by the OIG found that information disclosed would be more appropriately handled by the ELC Executive Director. The OIG referred the complaint to the ELC and they recouped \$1,688.58 from the VPK provider.
- 19-C0049 Allegation made regarding a SR recipient’s account information. An inquiry by the OIG found that information disclosed did not demonstrate reasonable cause to suspect a violation of federal, state, or local law, rule, or regulation. No further OIG activity was warranted. The OIG shared the complaint with OEL management.

<sup>7</sup> Other entities include the ELCs, the Florida Department of Children and Families OIG, the Florida Department of Health Child Care Food Program, The Florida Department of Education OIG, the Florida Head Start State Collaboration Office and Local Licensing Authorities as appropriate.



- 19-C0073 Allegations made against an ELC regarding reimbursement and policy violations. An inquiry by the OIG found that information disclosed did not demonstrate reasonable cause to suspect a violation of federal, state, or local law, rule, or regulation. No further OIG activity was warranted. The OIG referred the complaint to the ELC and shared with OEL management.
- 19-C0083 Allegations made against an ELC regarding personnel issues. An inquiry by the OIG found that the issues raised did not rise to the level of an OIG investigation and no further OIG activity was warranted. The OIG referred the complaint to OEL management for review and action deemed appropriate.
- 19-C0085 Allegations against an ELC regarding documentation, reimbursements, and personnel issues. An inquiry by the OIG was performed and a determination made that an investigation was unnecessary as another entity performed an inquiry into the allegations.
- 19-C0101 Allegations against an ELC regarding reimbursement issues, policy violations, and requirements imposed on providers. An inquiry by the OIG found that information disclosed did not demonstrate reasonable cause to suspect a violation of federal, state, or local law, rule, or regulation. No further OIG activity was warranted. The OIG referred the complaint to the ELC and shared with OEL management.
- 19-C0115 Allegations against an ELC regarding contract concerns, and violations of law, rule, and policy. An inquiry by the OIG found that information disclosed did not demonstrate reasonable cause to suspect a violation of federal, state, or local law, rule, or regulation. No further OIG activity was warranted. The OIG referred select concerns to OEL management for review and action deemed appropriate.
- 19-C0122 Allegations against a provider that received VPK, Performance Funding Project, and Head Start funds regarding personnel issues, violation of law, rule, and policy. An inquiry by the OIG found that information disclosed did not demonstrate reasonable cause to suspect a violation of federal, state, or local law, rule, or regulation for which the OIG has jurisdiction. The OIG shared the complaint with OEL management and the Director of the Florida Head Start State Collaboration Office.

#### Investigations

During fiscal year 2018-19, the OIG completed one investigation and one was on going at year-end.



**Investigative Report OIG Assignment No. 19-I001, report issued on October 5, 2018**

The OIG received an anonymous complaint that alleged an ELC hired an employee that did not pass level 2 screening standards as set forth in Section 435.04, F.S. Additionally, the complainant alleged that ELC management falsified two quotes when purchasing equipment. During the course of the investigation there was sufficient case-supporting materials to substantiate the allegation an ELC hired an employee that did not pass level 2 screening standards. Additionally, the OIG determined the allegation that ELC management falsified two quotes when purchasing equipment was unfounded. The report was issued to the OEL Executive Director and the OIG recommended that OEL management review the findings and take action deemed appropriate.

**Investigative Report OIG Assignment No. 19-I002.**

The OIG received a complaint from a contractor that listed 11 concerns against an ELC. The OIG conducted a preliminary inquiry and initiated an investigation into two of the concerns. The investigation was on going at year-end.

**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.

On November 1, 2017, the full CFA voted unanimously to award the certificate of accreditation to the OEL OIG. The accreditation remains in effect for three years at which point, state assessors will complete a re-accreditation review of the OIG in the Fall of 2020.



**Public Assistance Fraud**

The OIG administers the public assistance fraud referral process for the OEL and coordinates the process with external partners to ensure maximum efficiency. In order to perform this function, the OIG collaborates with ELCs across the state to refer suspected fraud cases for the SR and VPK Programs for criminal investigation to the Department of Financial Services Division of Public Assistance Fraud (DPAF).

The OIG made 237 referrals to DPAF during the fiscal year for investigation. DPAF refers cases to the appropriate State Attorney's Office (SAO) for criminal prosecution. Public assistance fraud referrals involved both recipients of SR or VPK Programs as well as providers of the SR or VPK Programs.



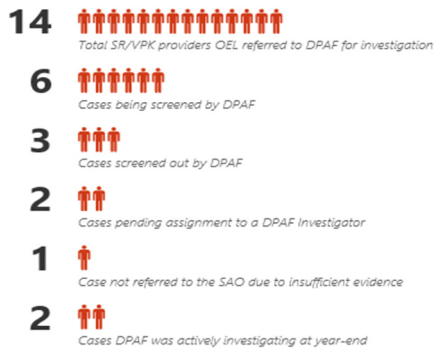


**Provider Fraud**

The OIG referred 12 SR and two VPK providers to DPAF for criminal investigation. As of July 1, 2019, six of these cases were being screened by DPAF, and three of these cases were screened out prior to investigation by DPAF.

Two of these cases were pending assignment to a DPAF investigator and one case was not referred to the SAO due to insufficient evidence. DPAF was actively investigating two of these cases at the end of the fiscal year.

**PROVIDER FRAUD IN FY 2018-19**



**Recipient Fraud**

The OIG referred 223 recipients of SR child care support to DPAF for criminal investigation. As of July 1, 2019, 142 of these cases were not investigated by DPAF due to having been screened out or workload issues. Two cases were sent to DPAF awaiting status. Nine cases were in screening status and 37 cases were pending assignment. DPAF decided not to refer five cases to the SAO due to insufficient evidence, no intent to defraud, or for other reasons. Sixteen cases were either an active investigation or DPAF made a request for overpayment/over issuance assistance. DPAF

referred 12 cases to the SAO for criminal prosecution. One of which had adjudication withheld; however, the case resulted in restitution of \$2,239.88.

**DFS Project Manager Activities**

In order to coordinate the referral process, the IG serves as the project manager for the Department of Financial Services (DFS) Division of Public Assistance Fraud (DPAF) investigation agreement. During the fiscal year, the OIG conducted the following DPAF project manager activities:

- DFS-DPAF and OEL agreement renewal process;
- Monthly review and approval of the DPAF invoice;
- Monthly reporting of restitution received by the OEL to the DPAF leadership;
- Monthly processing and reporting of the SAO disposition reports received from DPAF;
- Quarterly reconciliations between the OIG fraud referral system and the DPAF systems; and
- Processing SAO letters, subpoenas, and *Victim Impact Statement* requests as received from various SAOs.

**OEL OIG Fraud Referral System Administration**

ELCs utilize a web-based application to refer potential public assistance fraud cases to the OIG. During the fiscal year, the OIG performed 53 user account administration activities, maintained the OEL FRS Administrator Guide, and performed an annual FRS Account Certification process.





### Early Learning Coalition Anti-Fraud Plans

Pursuant to Rule 6M-9.400(2), Florida Administrative Code, ELCs shall adopt an anti-fraud plan (Plan) addressing the detection and prevention of overpayments, abuse, and fraud relating to the provision of and payment for SR and VPK Program services. ELCs must annually submit a copy of their Plans to the OEL OIG for approval. During the fiscal year, the OIG reviewed and approved 31 ELCs and contractor Plans.

### Department of Health's Child Care Food Program

The Child Care Food Program (CCFP) provides reimbursement for nutritious meals and snacks served to children in child care settings. The Bureau of Child Care Food Programs within the Florida Department of Health administers the CCFP. The U.S. Department of Agriculture, Food and Nutrition Service provides funding for the CCFP. During the fiscal year, the OIG continued to collaborate with the CCFP on fraud prevention and detection activities.

### Anti-Fraud Activities

In order to meet statutory requirements the OIG continued to perform activities for the Anti-Fraud Project. The purpose of the project was to identify ways for the OIG to detect, deter, and prevent fraud within the public assistance programs that the OEL administers.

During fiscal year 2018-19, the OIG conducted the following anti-fraud activities:

### **Statewide Anti-Fraud Workgroup**

The OIG continued to facilitate the Statewide Anti-Fraud Workgroup (Workgroup). The Workgroup leverages statewide resources to address the detection and prevention of waste, fraud, and abuse. The Workgroup consists of management and staff from the OEL, ELCs, a contractor, and service providers. The Workgroup discusses fraud fighting best practices, issues, concerns, etc., via periodic webinars and conference calls.

During fiscal year 2018-19, the OIG issued 11 Workgroup News e-mails detailing fiscal year number of fraud referrals and their statuses. The News e-mails also contained information regarding court ordered restitution received by OEL during the fiscal year and featured other information regarding fraud awareness as appropriate. Additionally, the OIG hosted three Workgroup webinars. Webinars were recorded and made available, along with the presentations, on the Coalition Zone of OEL's SharePoint site. Summaries of the Workgroup webinars are as follows:

#### *August 2018 Workgroup Webinar*

Loss Prevention & Compliance Department from the ELC of Miami Dade Monroe shared their program's best practices and strategies on effectively identifying common red flags of potential child care assistance fraud and tracking loss prevention efforts.



#### *November 2018 Workgroup Webinar*

An Investigation Manager from the DFS - DPAF presented ways ELC staff could detect potential recipient and provider fraud and highlighted red flags of fraud in submitted documentation.

#### *February 2019 Workgroup Webinar*

The EFS Modernization team demonstrated the SR application process for recipients and parts of the eligibility determination process.

## **OVERSIGHT ACTIVITIES**

The OIG participates in numerous activities that are classified as oversight. This includes OIG risk assessments, OIG work plans, OIG annual reports, internal assistance activities, OIG Quality Assurance and Improvement Program, and Outreach & Education activities. During the fiscal year, the OIG performed the following oversight activities.

### **OIG Risk Assessment, Annual Audit Plan, and Annual Report**

In accordance with Section 20.055, F.S., the OIG develops long-term and annual audit plans, based on the findings of a comprehensive annual risk assessment. The annual audit plan was approved by the agency head and submitted to the CIG and the AG. The OIG is also responsible for preparing an annual report summarizing the activities of the office during the immediately preceding fiscal year.

### **Internal/External Assistance Activities**

The OIG participated in the following internal/external assistance activities.

### **Computer Security Incident Response Team (CSIRT)**

The CSIRT responds to suspected computer security incidents by identifying and controlling incidents, notifying designated CSIRT responders, and reporting findings to OEL management. During the fiscal year, the IG assisted on CSIRT events and provided input into drafting specific policies and procedures for the CSIRT.

### **OEL Annual Report**

The OIG provided input to management for the OEL Annual Report's section detailing a summary of annual findings and collections related to provider fraud, parent fraud, and fraud intervention as required by Section 1002.82(5)(a)(4), F.S.

### **Legislative Budget Request**

The OIG prepared the *Schedule IX: Major Audit Findings and Recommendations (Schedule IX)* for the OEL's Legislative Budget Request. The *Schedule IX* is designed to inform decision makers on recent major findings and recommendations found in AG and OIG reports issued during the current and previous fiscal years. The *Schedule IX* also provides information on the status of action taken to correct reported deficiencies and is cross-referenced to any budget issues for funding to implement audit findings and recommendations.



### **Single Audit Activities**

The OIG coordinated the submission of changes in OEL's Catalog of State Financial Assistance (CSFA) numbers and Annual CSFA Certification to DFS.

### **OCC Monitoring**

The Department of Health and Human Services, Administration for Children and Families, Office of Child Care conducted a monitoring of Florida's compliance with Child Care and Development Fund requirements. The monitoring was on going at fiscal year-end. The OIG participated in Florida's on-site meetings to discuss Program Integrity and Accountability and provide a demonstration of the OEL's Fraud Referral System. The IG attended meetings on various topics discussed during the on-site visit.

### **OIG Quality Assurance and Improvement Program**

The OIG is statutorily required to follow the *International Standards for the Professional Practice of Internal Auditing*, as published by the IIA. Standard 1300 requires that the chief audit executive develop and maintain a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the internal audit activity. The OIG performs periodic self-assessments to meet this requirement.

### **Outreach & Education**

#### **Fraud Awareness**

Governor Scott issued a proclamation declaring November 11-17, 2018, as Fraud Awareness Week in Florida. The OIG emailed OEL the proclamation and provided information on fraud, red flags, and offered to provide fraud awareness briefings at individual unit staff meetings.

#### **International Internal Audit Awareness Month**

During an OEL department meeting in May 2019, the IG presented on the OIG internal audit services and the internal audit charter.



## APPENDIX A: OUTSTANDING RECOMMENDATIONS

Section 20.055, F.S., requires the identification of each significant recommendation described in previous annual reports on which corrective action has not yet been completed. As of June 30, 2019, there were 3 external and 28 internal outstanding audit recommendations requiring corrective action. The “Outstanding Significant Audit Recommendations” table below lists the open recommendations.

Outstanding Significant Audit Recommendations as of June 30, 2019
<p><b>Auditor General External Audit</b> - <i>Office of Early Learning and Selected Early Learning Coalitions Early Learning Programs and Related Delivery Systems</i>, Report No. 2016-192, Recommendations:</p> <ul style="list-style-type: none"> <li>• To improve the accuracy of Enhanced Field System (EFS) data and detect potential errors and improprieties, we recommend that OEL management ensure that appropriate data analyses are conducted.</li> <li>• We also recommend that OEL management ensure that the coalitions review and follow up on any matters identified by data analyses be subject to comprehensive monitoring.</li> <li>• We recommend that OEL management ensure that the review and approval process for all School Readiness Program curricula is appropriately documented and that all Committee members satisfy established requirements.</li> </ul>
<p><b>OEL OIG Internal Audit</b> – <i>IT Risk Assessment Audit</i>, Report No. 17-IA003, Recommendations: Twenty-eight recommendations remain outstanding in the functional areas of Identify, Protect, Detect, Respond, and Recover. The OIG is not disclosing recommendations in this report as the audit is classified as a confidential report pursuant to Section 282.318, F.S., and the results are confidential and exempt from the provisions of Section 119.07(1), F.S.</p>