



State of Florida
Department of Children and Families

Jeb Bush
Governor

Lucy D. Hadi
Secretary

Role of the Inspector General's Office

Enhancing Public Trust in Government

***Investigations, Audit, Quality Control
and Appeal Hearings***



June 2, 2005

**Sheryl G. Steckler
Inspector General**

*“Provide Leadership in the promotion of
accountability and integrity of State Government.”*

INSPECTOR GENERAL'S OFFICE

An understanding of the Inspector General's role, as it relates to the Department's management functions, will ensure an enhanced level of accountability, integrity, and efficiency in our relationship with the people we serve. The intent of this booklet is to clarify our purpose, to communicate our standard operating procedures, and to provide time-lines for responses and corrective actions. Our goal is to work cooperatively in achieving the Department's mission of ensuring safety, well being, and self-sufficiency for the people we serve.

Legal Authority:

Section 20.055(2), Florida Statutes (F.S.), states that the Office of Inspector General is established in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government.

Entities of the Inspector General:

- **Investigations Section**
- **Audit Section**
- **Quality Control Section**
- **Appeal Hearings Section**

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Investigations Section

Investigations Section

Legal Authority:

Section 20.055 (6), Florida Statutes (F.S.), states that each inspector general shall initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in state government.

In carrying out the investigative duties and responsibilities, each inspector general shall:

- Receive complaints and coordinate all activities of the agency as required by the Whistle-blower's Act pursuant to ss. 112.3187-112.31895, F.S.
- Receive and consider the complaints which 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 the inspector general deems appropriate.
- Report expeditiously to the Department of Law Enforcement or other law enforcement agencies, as appropriate, whenever the inspector general has reasonable grounds to believe there has been a violation of criminal law.
- Conduct investigations and other inquiries free of actual or perceived impairment to the independence of the inspector general or the inspector general's office. This shall include freedom from any interference with investigations and timely access to records and other sources of information.
- Submit in a timely fashion final reports on investigations conducted by the inspector general to the agency head, except for Whistle-blower's investigations, which shall be conducted and reported pursuant to s. 112.3189, F.S.

Receiving Complaints (Intake):

The Office of Inspector General's (OIG) centralized intake process begins with a complainant's direct or indirect contact with OIG headquarters in Tallahassee. Complainants may send their written complaint directly via mail, fax, electronic mail, or web site complaint form¹. Other entities such as the Get Lean Hotline², the Office of the Chief Inspector General, the Florida Commission on Human Relations (FCHR), Attorney General, other inspector generals, the Office of the

¹ For complainants who are DCF employees, the web complaint can be found by clicking the Submit a Complaint link on the DCF Intranet site. For complainants who are not DCF employees, the web complaint form can be found by clicking the Submit a Complaint link at http://www.state.fl.us.cf_web/.

² The Florida Department of Financial Services operates a Get Lean Hotline. 1-800-GET LEAN (438-5326) answers calls from 8:30 a.m. to 4:30 p.m. about waste, fraud and abuse in state government and accepts suggestions on how the state can save money. Messages may be left during non-working hours. Callers can remain anonymous. Names are kept confidential, when given.

Secretary, and OIG Regional Offices may also forward a complainant's correspondence to OIG headquarters for review and handling. Complaints should be submitted in writing. Phone calls will be forwarded to a dedicated complaint line that provides instructions to complainants for submitting their written complaints.

Actions to be Reported: In accordance with Children and Families Operating Procedure (CFOP) 180-4, Department of Children and Families employees are required to report the following actions within two days of discovery. The public at large is also encouraged to report the following acts of wrongdoing to the Office of the Inspector General:

- A. Employee negligence that results in client injury, abuse, neglect or death immediately upon verification by the district or program office;
- B. Fraud;
- C. Theft;
- D. Breaches of confidential information by an employee, unless inadvertent and self-reported (e.g., revealing a reporter's name, providing confidential documents to unauthorized persons, access of client files for non-business reasons; providing information from client files such as medical or benefits information, etc) immediately upon confirmation by the district;
- E. Falsification of official records (e.g., intentional alteration of state documents, misrepresentation of information during an official proceeding, intentional falsification of client case records, case notes, client contact reports, visitation records, client home visits, creating false and fictitious files, etc.);
- F. Misuse of position or state property, employees, equipment or supplies for personal gain or profit (e.g., misuse of Suncom, use of staff for personal services, soliciting on state time and state property; conspiracy to conceal missing state property, misuse of the Internet to conduct personal business as defined by policy, etc.);
- G. Failure to report known or suspected neglect or abuse of a client;
- H. Improper expenditure or commitment of public funds;
- I. Computer related misconduct (e.g., accessing FLORIDA, HomeSafeNet or FAHIS system files of clients when there is no direct business involvement with the client, accessing inappropriate or pornographic web sites, sending threatening or harassing messages, misuse of email, etc.);
- J. Miscellaneous (e.g., retaliation, unauthorized weapon on state property, criminal arrest of employee, etc.);
- K. Any violation under §435, F.S., Title XXXI, Employee Screening, that would result in disqualification from client contact duties (e.g., convicted of murder, manslaughter, assault and battery, kidnapping, false imprisonment, sexual battery, theft, robbery, child abuse, abuse and neglect of an elderly or disabled adult, sale of a controlled

- substance, resisting arrest, contributing to delinquency of a minor, or other disqualifying offense); or
- L. Any other wrongdoing that would be a violation of statute, rule, regulation or policy, excluding job performance and related deficiencies.

To ensure that the OIG has sufficient information, the written complaint should:

- Identify specific wrongdoing by one or more Department employees, contractual staff, or staff of a Department licensed entity;
- Be a new allegation not previously reviewed by the OIG;
- Involve violation(s) of state or federal law, administrative rule, or Department policies or procedures; and
- If requesting WB protection, provide specific details which allege that an employee or contractual staff has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds or gross neglect of duty or any violation which creates and presents a substantial and specific danger to the public's health, safety, or welfare. (See ss112.3187-112.31895, F.S., for additional information or visit the Chief Inspector General³ or Florida Commission on Human Relations⁴ Web sites.

Complaints may be handled in one of three ways:

Management Referral: An allegation that appears to represent management issues or concerns that can be resolved through management intervention is referred to the appropriate district administrator, regional director, or other Department manager for review and *any action deemed appropriate*. Management is not required to respond to this office on these referrals. Allegations that are not within the jurisdiction of the OIG will be referred to other state governmental agencies. Written complaints are either forwarded directly by the OIG or the OIG will provide contact information to the complainant with recommendations to contact another agency directly. Management Referral complaints are closed at the time the complaint is forwarded to the appropriate entity and/or a response is sent to the complainant.

Management Inquiry: An allegation of wrongdoing that appears to be isolated to a specific case but rises to the level such that further OIG action may be necessary is referred to the appropriate district administrator, region director, or other Department manager for review and *response* to the OIG. Management Inquiry complaints are closed at the time the response is received from the appropriate manager and no further action by the OIG is warranted.

³ http://www.flgov.com/eog/inspector_general/whistle_blower.html

⁴ <http://fchr.state.fl.us/>

Investigation: The Inspector General, Chief of Investigations, or the Inspector General's delegated authority will determine whether an allegation will be investigated by the OIG. Allegations of significant fraud, waste, abuse, employee misconduct, malfeasance, or misfeasance may be assigned to regional inspectors for full investigation. CFOP 180-4 provides guidance on what specific types of incidents are usually assigned for investigation.

- * All Get Lean complaints require an OIG response to the Florida Department of Financial Services and, therefore, are referred as either a Management Inquiry or are investigated by the OIG if sufficient details are included within the complaint.
- * If the complainant discloses allegations of child or vulnerable adult abuse, neglect, or exploitation, OIG staff will forward the information to the Florida Abuse Hotline via fax or phone for review as to whether a protective investigation is necessary.
- * All complaints requesting WB protection are handled in accordance with Chapter 112, F.S.

Notification to Complainants:

If a contact address is provided, the complainant will receive a written notification acknowledging receipt and the disposition of the complaint. Notifications are typically provided in the same form (letter or email) as the complaint was received. The complaint review and disposition process is usually completed within fourteen days of receipt by OIG staff.

Investigations:

The Inspector General operates four regional investigation offices: North (Tallahassee), South (Ft. Lauderdale), SunCoast (Tampa) and Central (Orlando).

If an allegation is assigned for investigation, investigators review pertinent records, schedule and conduct sworn witness interviews, collect evidence, and prepare comprehensive investigative report summaries. A written report is provided to the agency head in accordance with s. 20.055 (6) (d), F.S.. Investigative reports of whistleblower allegations conducted pursuant to s. 112.3189, F.S. are reported to the Office of the Governor, Chief Inspector General.

The investigative report provides a factual account of the circumstances, reports any abuse and/or deficiency relating to the administration of programs and operations of the agency, and recommends corrective action. Although the investigative process includes recommendations for corrective action, Department and other managers maintain the authority to determine how they, as managers, will respond to the findings.

Audit Section

Audit Section

Legal Authority:

Section 20.055 (5), Florida Statutes (F.S.), in carrying out the audit duties and responsibilities of this act, each Inspector General shall review and evaluate internal controls necessary to ensure fiscal accountability of the state agency.

Internal Audit:

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve operations. Internal Auditors, following professional auditing standards, examine and evaluate the Department's system of internal controls and the quality of program operations by conducting performance, financial, compliance, and information systems audits.

In addition to internal audits, the section acts as a liaison between the Department and external auditors (Auditor General, OPPAGA, Federal Auditors). The section also assesses the reliability and validity of performance measures and aids in special projects within the Office.

Internal auditors are authorized access to all departmental records, data, property, information, and assistance deemed necessary, to carry out their duties.

Internal Audit Process:

Audits are planned and scheduled based on a department-wide risk assessment. An annual audit plan is published detailing the process. Management will be notified as *internal* audits are initiated.

Entrance conferences will be held with program staff to discuss the audit objectives, scope, and logistics.

During the audit, program staff and Management, as necessary, will be advised of findings. A formal exit conference will be held to discuss the details of all findings and recommendations. Any concerns regarding the findings and recommendations should be voiced at this meeting.

As required by Section 20.055(5)(d) F.S., a report of preliminary and tentative findings and recommendations will be sent to program staff who must provide a written response within **20** working days after receipt. The response will be included as part of the final audit report. Final reports are distributed to the Secretary, management, the Executive Office of the Governor, the Joint Legislative Auditing Committee, and the Office of the Auditor General. Auditors will track the status of corrective actions as appropriate.

External Audit Process and Responsibilities of Management:

To ensure a member of the Inspector General's Audit (OIA) section is present during *external* entrance conferences, program management shall notify OIA of any work being conducted at any departmental location by an external auditor (Auditor General, OPPAGA, Federal Auditors).

When external auditors complete an audit, an exit conference, attended by an OIA, is conducted with program staff. The external auditors send a draft report to the Secretary's Office. The Secretary's Office may send a "heads-up" copy of the report to the program office. The Secretary's Office also sends a copy of the report to the Inspector General's Office.

OIA has the responsibility for coordinating a written response from the program offices and sets due dates for return of responses. Due dates **must** be adhered to in order to facilitate obtaining the Secretary's signature and meet external audit deadlines. In order to meet required time lines, responses must be returned to OIA per the following schedule:

- 20 calendar days for *Federal Audits*
- 20 calendar days for *Auditor General Audits*
- 10 calendar days for *OPPAGA reports*

Prior to submitting responses to OIA, the responsible program office is required to obtain approval signatures from the appropriate Program Director and the Assistant Secretary for Programs. If necessary, the Deputy Secretary and/or the Assistant Secretary for Administration, should approve the responses as well. After the response is returned to OIA, the Secretary reviews the response and signs the transmittal letter.

How to Respond to an Audit:

Responses to audits should be clearly written, tactful, non-defensive, and grammatically correct. It is important that all recommendations are addressed. Differences regarding the facts presented in the audit should have been resolved at the exit conference. If there is disagreement with the findings and recommendations, the response should explain the reasons **and** include supporting documentation. If there is agreement with the findings and recommendations, the response should note concurrence. Also:

- If corrective action has been taken to prevent recurrence of the finding, the response should indicate what action was taken and when it occurred.
- If the problem has not been corrected and there is agreement with the finding, the response should indicate what action will be taken and when it will be completed.

Status of Corrective Actions:

The Department is statutorily required to submit the following:

- A six-month status report of corrective actions taken on Auditor General and OPPAGA findings and recommendations is due to the Secretary and the Joint Legislative Auditing Committee (JLAC). This status report will be due to Internal Audit 5½ months after the issuance of final reports.
- An eighteen-month status report of corrective actions taken on OPPAGA findings and recommendations is due to OPPAGA. This status report will be due to Internal Audit 17½ months after the issuance of final reports.

Quality Control Section

Quality Control Section

Legal Authority:

State plans for the administration of the Food Stamp and Medicaid programs must provide for a system of quality control in accordance with congressional statutes and federal regulations as follows:

Food Stamp - Title XIII, Public Law 95-113,
91 Statute 958, Food Stamp Act of
1977, as amended
7 CFR Chapter II, 275.10

Medicaid - Title XIX, Social Security Act, 42 CFR Chapter IV, 431.800

Quality Control (QC):

QC reports to the Inspector General. The QC system was designed by the federal government to help states identify eligibility problems in the Food Stamp and Medicaid programs. Food Stamp and Medicaid benefits are intended for families and individuals who meet specific requirements; unfortunately, benefits are sometimes given in the wrong amounts, or to those who do not qualify. QC identifies unacceptable performance and ineffective policies so the agency can correct problems and improve the program.

Additionally, QC monitors those eligibility decisions when clients are denied benefits or have had their cases closed.

Components of the System – Overview:

QC on a monthly cycle selects a statistically valid sample of cases to review. Guidelines for sampling, to include sample size, are set by the United States Departments of Agriculture (USDA) and the Center for Medicare and Medicaid Services (CMS). The samples are drawn monthly, beginning in October and ending in September of the following year (federal fiscal year).

For the last two years, Florida has received approval to waive the Medicaid Quality Control standard case review process and conduct pilot projects. Currently, QC is reviewing discrepancies in nursing home billings as it relates to patient responsibility and whether uncovered medical expense deductions are being properly projected, calculated and documented.

The QC Review Process:

The QC review is more in-depth than the review done by the eligibility caseworker. The eligibility caseworker verifies certain eligibility requirements, but generally, accepts the client's statements about their circumstances. There are over 40 elements of eligibility that can be verified. The QC analyst verifies every eligibility requirement. The USDA and CMS provide manuals that specify the

acceptable verification for each requirement.

The QC review begins with a face-to-face client interview. At this interview, the client is to provide the QC analyst with as much verification as possible, including rent and utility bills, pay stubs, etc.

Most verification requires contact with several collateral sources. For example, the landlord or neighbors confirm household composition. To verify income the analyst will often write employers, Social Security Administration, Veterans Administration, State Worker's and Unemployment Compensation agencies, retirement boards, absent parents, contributing relatives, schools (for grant and scholarship information), and/or other relevant sources.

Once the data is collected, the analyst compares this information to the case record. The QC analyst then determines the client's eligible benefit.

Food Stamps: If the benefit amount is within \$25 of benefits the client is receiving, the case is considered *correct*. If the benefit amount differs by more than \$25, the case is considered *incorrect*.

Medicaid: After all pilot project reviews are completed and data gathered, Quality Control prepares a report of findings that is sent to CMS by the end of December following the federal fiscal year. These findings include detailed information about the project and include statistical analysis, charts, graphs and narrative explanation of findings, conclusions and recommendations. This report is shared with ACHA and DCF management.

Errors:

Errors are classified into two categories: **agency** errors and **client** errors.

- Agency errors occur when policy is incorrectly applied or there is a failure to take necessary action indicated by the case record.
- Client errors occur when the client's circumstances change and go unreported or the information supplied by the client is incorrect.

Federal Re-reviews:

USDA validates the state's quality control process by selecting a statistically reliable sample of the cases that were previously sampled by the state. These cases are completely re-reviewed by the USDA.

The purpose of the Federal re-review is to determine the accuracy of the state quality control findings. The federal reviewer determines whether the state quality control reviewers correctly applied certification policy, properly and accurately applied quality control review procedures, accurately recorded results and findings, and adequately performed field investigations.

Individual Corrective Action:

QC refers all sampled error cases to the appropriate program office for action and follow-up. The correction of errors on individual sample cases involves:

1. Notifying the district of errors as reported by QC. At the conclusion of the quality control review, a Report of Findings is sent to the District Office and the respective program office(s). The district sets up an Accuracy Improvement Meeting (AIM), where staff from the Program Office and QC discuss why and how the error occurred and how to avoid recurrence.
2. If there is a question concerning quality control findings, the district office, or state program office, can request reconsideration of the case.

From these requests, QC reviews the questioned findings and if changes are made, "Corrected Findings" are sent to the affected parties. Most disagreements are settled informally. Weekly AIM meetings are conducted with Program Office and QC headquarters staff to discuss error and drop cases and to resolve related policy issues.

Cash Assistance Reviews:

In February 2005, the Department directed QC to conduct desk reviews of a sample of Temporary Cash Assistance cases. These reviews do not require field visits and an error rate will be compiled from the review of the case file.

Preparation and Distribution of Reports:

Statistical and analytical reports of findings are prepared at the headquarters office and distributed to state and district program administrators and federal agencies.

These reports include:

- (1) Graphs and statistical tables on all case reviews completed for the entire state and by district,
- (2) Annual information by district plus 5-year trend information, and
- (3) Numerous ad-hoc reports.

Appeal Hearings Section

Appeal Hearings Section

Legal Authority:

Section 409.285, Florida Statutes (F.S.), provides the general hearing authority for this Appeal Hearings. The Department's hearing rules appear in the Florida Administrative Code, section 65-2.042 et. seq. Section 120.80, F.S. allows the Department to use its own hearing officers for hearings in the following public assistance programs. Appeal Hearings (OSIH) reports to the Inspector General. Specific legal authority for each program heard by the office is listed below:

1. Cash Assistance. Chapter 414, F.S., Chapter 652, Florida Administrative Code (F.A.C.).
2. Food Stamp Program. Chapter 414, F.S., Chapter 65-2, F.A.C., Title 7 C.F.R., Section 273.15 (Fair hearings), Title 7 C.F.R., Section 273.16 (Disqualification for intentional program violations).
3. WIC. Title 7 C.F.R., Section 246.9.
4. Medicaid. Chapter 65-2, F.A.C., and Title 42 C.F.R. Section 431.
5. OSS. Chapter 65-2, F.A.C.
6. RAP. Chapter 65-2, F.A.C.
7. Child Support. 45 C.F.R., Part 303.
8. Nursing Facilities. Title 42 C.F.R., Section 483.12, and Section 400.0255 F.S.

Opportunity to Request a Hearing:

The Department is required to provide an opportunity for any applicant or recipient of the above listed programs to request a hearing, when the Department's action, or failure to act, would adversely affect the individual's or family's eligibility for, or amount of, benefits. Additionally, in the Food Stamp and cash assistance programs, the Department may initiate administrative disqualification hearing requests for the purpose of recovering funds lost through intentional program violations.

Appeal Hearings:

Any applicant/recipient who believes the Department's action, or inaction, is incorrect may request a hearing. The Department may initiate a hearing request for a Food Stamp/Cash Assistance administrative disqualification hearing when it believes an individual has committed an intentional program violation. The date of the request for hearing is the date the request is received by the Department. The Department **must** date the request when received. Only a hearing officer may reject a hearing request.

Submission of Request for Hearing:

Any Economic Self-Sufficiency related fair hearing request submitted to the district should be entered into the FLORIDA system by district staff. For an unusual case, where the district is unable to send the hearing request through

FLORIDA, the request may be mailed directly to OSIH. A copy of the Notice of Case Action, when such notice exists, should be forwarded to OSIH. Any material transmitted to OSIH, not previously sent to the claimant, will be provided to the claimant at the same time it is provided to OSIH.

- Requests for Food Stamp/Cash Assistance administrative disqualification hearings that are made by DCF or Florida Department of Law Enforcement are submitted through the FLORIDA system.
- Developmental Disability Medicaid Waiver hearing requests are submitted by the district's legal office to headquarters' legal office agency clerk, who forwards the request to OSIH.
- All other program offices should forward the request directly to OSIH.
- When the request is received by OSIH directly from the claimant, OSIH will notify the district to ensure appropriate district procedures are followed.
- By rule, all requests **must** be forwarded by the district within **three (3) working days** of receipt.

Access to Case Record Information: If requested, the district **must** provide the appellant or his representative adequate opportunity to examine the contents of the case file and all documents and records to be used by the Department at the hearing. This **must** be done at a reasonable time before the date of the hearing, as well as during the hearing. Confidential information that is protected from release, and other documents or records which the individual will not otherwise have an opportunity to inspect or challenge, will not be introduced at the hearing or affect the hearing officer's decision.

Ex Parte Communication:

Ex parte communication between the hearing officer and either party to the hearing regarding the merits of the hearing is expressly **prohibited** by Section 120.66, F.S. Any information relative to the merits of the case that are provided to a hearing officer, other than on record, must be provided in written form **and**, at the same time, copied to the other party or their attorney/representative, if applicable.

Representatives for the Department:

A representative of the Department **must** attend the hearing. This representative **must** be prepared to present evidence necessary to resolve the issue under appeal and refer to the particular Department rules, which were used in making the determination under appeal.

Final Orders Issued by Hearing Officers:

The hearing officer enters a final order at the completion of the case. The orders must be implemented upon receipt by Department staff.

Judicial Review of Final Orders:

requesting a judicial review. A judicial review must be requested within 30 days of the date of the order. Any request for judicial review received by district

personnel **must** be forwarded immediately to the district legal counsel.

Time Standards for Issuing Final Orders:

- The final order will be rendered within ninety (90) days of request for all programs, except the Food Stamp Program, which will be rendered within sixty (60) days;
- Child Support Enforcement distribution issues, the final order will be rendered in sixty (60) days;
- WIC will be rendered within forty-five (45) days.

Time limits can be extended by request of the petitioner. In Food Stamp Program hearings, there is a 30-day time limit on the extension.

If you have any questions, please call The Office of Inspector General at (850) 488-1225.