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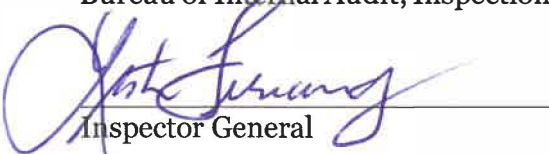
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TO: Mark Inch, Secretary
FROM: Lester Fernandez, Inspector General
DATE: February 24, 2020
SUBJECT: AUDIT REPORT NO. A20009F – FOLLOW-UP OF DEPARTMENT OF CORRECTIONS COMMUNITY SUPERVISION, SELECTED ADMINISTRATIVE ACTIVITIES, AND PRIOR AUDIT FOLLOW-UP AUDITOR GENERAL'S REPORT 2020-006

The Bureau of Internal Audit, Inspections, and Evaluations performed a follow-up audit to the Auditor General's Department of Corrections Community Supervision, Selected Administrative Activities, and Prior Audit Follow-Up, Report No. 2020-006, issued in July 2019. The objectives of this follow-up were to determine if corrective action was taken on the reported audit findings and/or whether the action taken corrected the findings identified in the original report.

The scope of the follow-up consisted of obtaining from Offices of Community Corrections, Financial Management, Administration, and Institutions a written response along with documentation of corrective action taken to implement the audit recommendations. The Bureau of Internal Audit has evaluated the follow-up responses and reviewed the information provided to support the corrective action. The Department has taken steps to address the findings in the report with exception to one finding. Finding 9 stated that the Department utilized an internal budgetary redistribution process that sometimes bypassed the statutory approval process for budget transfers. Program Management's position is that the Department did adhere to statutory budget transfer requirements. As such management is responsible for their position regarding this matter. No further follow-up is warranted by Bureau of Internal Audit, Inspections, and Evaluations for the findings cited in the report.


Inspector General

LF/PS/dm
Attachment

cc: Timothy Fitzgerald, Chief of Staff
Joe Winkler, Assistant Secretary of Community Corrections
Ricky Dixon, Deputy Secretary of Institutions
Mark Tallent, Chief Financial Officer
Richard Comerford, Assistant Deputy Secretary of Institutions
Steven Fielder, Director of Administration
Wes Kirkland, Deputy Director of Security Operations
Melissa McDaniel, Operations Manager of Fleet Management
Joint Legislative Auditing Committee
Office of Chief Inspector General

FLORIDA DEPARTMENT OF CORRECTIONS

***Follow-up of Auditor General's Report 2020-006
Department of Corrections Community Supervision,
Selected Administrative Activities, and Prior Audit Follow-Up***

Lester Fernandez, Inspector General

Paul Strickland, Chief Internal Auditor

Report No. A20009F

Dan McWilliams, Audit Supervisor

February 24, 2020

BACKGROUND

State law specifies that the purpose of the Department of Corrections (Department) is to protect the public through the incarceration and supervision of offenders and to rehabilitate offenders through the application of work, programs, and services. According to Department records, the Department operates the third largest state prison system in the United States and, as of July 2018, housed 97,387 inmates and supervised 156,041 offenders released on supervision. For the 2017-18 fiscal year, the Legislature appropriated approximately \$2.4 billion to the Department and authorized 24,238 positions.

OBJECTIVES

The follow-up objectives were to determine:

- if corrective action was taken on the reported audit finding; and
- whether the action taken corrected the finding in the original audit report.

SCOPE AND METHODOLOGY

The scope of the follow-up consisted of obtaining from the Offices of Community Corrections, Financial Management, Administration, and Institutions a written response along with documentation of corrective action taken to implement the audit recommendation.

RESULTS OF AUDIT

The Office of Community Corrections included the information below as a part of their follow-up response and is applicable to findings one through eight below.

In July 2019, Central Office Community Corrections Leadership met with the Regional Directors, Assistant Regional Directors, Circuit Administrators, and Deputy Circuit Administrators to discuss the findings of the Operational Audit. Each finding, recommendation, and corrective action plan was reviewed in detail. Region and Circuit Leadership were instructed to adhere to Departmental Policies in deficient areas. Processes were discussed in detail. In addition, the processes will be discussed during our next statewide meeting scheduled for July 2020.

Auditor Comments for findings one through eight will be discussed after Management's Follow-up Response for finding eight.

Finding 1: Department controls for administering drug and alcohol tests at probation offices need enhancement to better ensure the prompt disposal of expired on-site tests, correctional probation officers complete and pass the manufacturer's training program for utilizing on-site tests prior to performing tests, offenders wash their hands prior to the specimen collection process, all probation offices have a properly functioning refrigerator to securely store specimens, and Department records evidence an appropriate chain of custody, from the collection of specimens through the delivery of specimens to the laboratory for confirmation testing.

Recommendation: Department management take steps to ensure:

- The prompt disposal of expired on-site drug tests.
- Correctional probation officers complete and pass the manufacturer's training program for utilizing on-site drug tests prior to performing tests.
- Offenders thoroughly wash their hands prior to beginning the specimen collection process.
- All probation offices have a properly functioning refrigerator to securely store specimens.
- Department records evidence an appropriate chain of custody, from the collection of specimens through the delivery of specimens to the laboratory for confirmation testing.

Management's Original Response: *The Department will review the drug testing procedure with staff to include the chain of custody process. Drug Coordinators responsible for conducting quarterly drug testing audits will be reminded to properly discard any expired on-site drug tests. Refrigerators used for storing urine specimens will be added to the quarterly drug testing audits, to check for proper functionality. Management will request replacement of refrigerators when found to be inadequate for the required operating standards. Probation Officers will be required to pass the*

manufacturer's training program for utilizing on-site drug tests during the Field Training Officer (FTO) Program to ensure each officer has the proper training prior to conducting a drug test. Additionally, the Department will review the drug testing procedure with staff to include the requirement for offenders to wash their hands prior to the specimen collection process.

Management's Follow-Up Response: We reviewed the drug testing procedure to include the chain of custody process. Drug Coordinators responsible for conducting quarterly drug testing audits were reminded to properly discard any expired on-site drug tests. Refrigerators used for storing urine specimens were added to the quarterly drug testing audits, to check for proper functionality. Management requested replacement of refrigerators when found to be inadequate for the required operating standards. Probation Officers are required to pass the manufacturer's training program for utilizing on-site drug tests during the Field Training Officer (FTO) Program to ensure each officer has the proper training prior to conducting a drug test. Additionally, the Department reviewed the drug testing procedure with staff to include the requirement for offenders to wash their hands prior to the specimen collection process.

Finding 2: Department records did not always evidence that Florida Crime Information Center (FCIC) and National Crime Information Center (NCIC) records checks were completed on correctional probation officers or their firearms.

Recommendation: The Department management enhance controls, including revising the DC3-226 form, to ensure that Department records evidence the completion of FCIC and NCIC records checks on all correctional probation officers and their firearms prior to approving an officer's request to carry a firearm while on duty.

Management's Original Response: The Department added NCIC record checks for Correctional Probation Officers and their firearms to the Request for Authorization to Carry a Firearm on Duty form (DC3-226). The Department will also review the requirement with staff to note the FCIC/NCIC results on the Request for Authorization to Carry a Firearm on Duty form (DC3-226).

Management's Follow-Up Response: The Department is in the process of adding NCIC record checks for Correctional Probation Officers and their firearms to the Request for Authorization to Carry a Firearm on Duty form (DC3-226). The Department also reviewed the requirement with staff to note the FCIC/NCIC results on the Request for Authorization to Carry a Firearm on Duty form (DC3-226).

Finding 3: Department controls need enhancement to ensure that all correctional probation officer field safety equipment is accounted for during annual physical inventories.

Recommendation: Department management enhance inventory tools and processes to ensure that annual physical inventories of all correctional probation officer field safety equipment are conducted in accordance with Department rules and procedures.

Management's Original Response: *The Department's Field Safety Equipment Inventory process has been modified since this audit, which has addressed all of the issues indicated in the audit.*

Management's Follow-Up Response: *The Department's Field Safety Equipment Inventory process was modified since this audit, which has addressed all of the issues indicated in the audit.*

Finding 4: The Department did not always ensure that records were maintained for all offenders released on community supervision or that the records maintained included the information specified by State law.

Recommendation: Department management ensure that records including the information specified by State law are maintained for all offenders on community supervision.

Management's Original Response: *The Department's file imaging process and required scanned documentation will be reviewed with the responsible staff.*

Management's Follow-Up Response: *The Department's file imaging process and required scanned documentation has been reviewed with the responsible staff.*

Finding 5: Department controls over the intake, orientation, and initial 30-day case review of offenders released on community supervision need improvement.

Recommendation: The Department management enhance controls, including the provision of additional employee training, to ensure that all intake, orientation, and initial 30-day case review activities are timely and appropriately performed, reviewed, and documented. Department management take steps to ensure that Department records evidence the completion of assigned re-reviews, the resolution of documented case review exceptions, the provision of emergency contact telephone numbers to offenders, and compliance with career offender registration notification requirements.

Management's Original Response: *The Department will review the Intake, Orientation and Case Review Procedures and processes with staff. Staff will be encouraged to enter the Emergency 24-hour number on the Instructions to the Offender form prior to printing and reviewing with offenders, to ensure the phone number is not omitted from the form.*

Management's Follow-Up Response: *The Department has reviewed the Intake, Orientation and Case Review Procedures and processes with staff. Staff are encouraged to enter the Emergency 24-hour number on the Instructions to the Offender form prior to printing and reviewing with offenders, to ensure the phone number is not omitted from the form.*

Finding 6: Department records did not always include accurate information regarding the early termination of offenders' periods of probation and the Department did not always timely perform FCIC and NCIC records checks on offenders recommended for early termination of probation.

Recommendation: Department management strengthen OBIS data entry controls to ensure that information related to the early termination of offenders' periods of probation is accurately recorded. Also, Department management ensure that Department records evidence the conduct of FCIC and NCIC records checks prior to recommending offenders for early termination of probation.

Management's Original Response: *The Department will review the Early Termination of Probation process with staff. A reason code will be created for Department recommended early termination requests to the court, so all early termination requests can be succinctly identified and properly reported.*

Management's Follow-Up Response: *The Department has reviewed the Early Termination of Probation process with staff. A reason code has been created for Department recommended early termination requests to the court, so all early termination requests can be succinctly identified and properly reported.*

Finding 7: Department controls for offender supervision need improvement.

Recommendation: Department management improve certain offender supervision controls.

Management's Original Response: *The Department will review Offender Supervision procedures with staff and monitor for compliance through management reports. This will include residence verifications, notification of school attendance for sexual offenders, compliance with curfews, and the reviewing of community control schedules.*

Management's Follow-Up Response: *The Department reviewed Offender Supervision procedures with staff and monitor for compliance through management*

reports. This includes residence verifications, notification of school attendance for sexual offenders, compliance with curfews, and the reviewing of community control schedules.

Finding 8: Department controls for the electronic monitoring of offenders released on community supervision need improvement.

Recommendation: Department management improve certain controls for electronically monitoring applicable offenders released on community supervision.

Management's Original Response: *The Department will review the requirements for monitoring offenders on electronic monitoring with staff and continue to provide periodic training through the contracted vendor. The training will cover vendor related items as well as procedural requirements for dealing with offenders placed on electronic monitoring.*

Management's Follow-Up Response: *The Department reviewed the requirements for monitoring offenders on electronic monitoring with staff and continue to provide periodic training through the contracted vendor. The training covered vendor related items as well as procedural requirements for dealing with offenders placed on electronic monitoring.*

Auditor Comments (Findings 1 through 8): *The Office of Community Corrections provided the agenda for the Central Office Community Corrections Leadership meeting on July 2019 with the Regional Directors, Assistant Regional Directors, Circuit Administrators, and Deputy Circuit Administrators. One of the agenda items was the Auditor General's Operational Audit. Further discussion with the Office of Community Corrections staff disclosed that findings were also discussed in staff meetings. The Office of Community Corrections provided meeting minutes for review by audit staff. The Office of Community Corrections has taken steps to address findings one through eight above. No further follow-up is warranted by Bureau of Internal Audit, Inspections, and Evaluations.*

Finding 9: The Department utilized an internal budgetary redistribution process that sometimes bypassed the statutory approval process for budget transfers.

Recommendation: The Department management adhere to statutory budget transfer requirements.

Management's Original Response: *The backup documentation provided by the Auditor General only takes into consideration any budgetary transfers done utilizing 5% authority. The Department also submitted and received approval for several 5-day notification budget amendments and the big amendment approved in the General Appropriations Act (GAA) back of bill (BOB). These types of budget amendments need to be taken into consideration also if they provided enough additional authority to cover the budgetary expenditure redistributions. As with the 5% transfers, all 5-day*

and LBC type amendments were submitted and approved under the statutory authority allowed in Chapter 216.292, F.S. These amendments are included on Attachment A

One example of why amendments other than 5% transfers should be included can be found in the Information Technology budget entity, Expenses category line item (see (1) on Transfer and Redistribution tab of Attachment B). Per the backup documentation, the Department transferred a net of \$430,000 in expenditures into this line item. The 5% authority available was \$250,000. Per the backup provided, the Department exceeded that type of authority by \$180,000. However, in the BOB amendment (FY 17-18 GAA, Section 53), the Department transferred in \$750,000 in additional appropriation. It should also be noted that one of the expenditure transfers included on the backup documentation impacted the FY 15-16 certified accounts, not FY 16-17 (see Info Tech tab on Attachment B). Using the parameters of this audit (transfers in increments of \$10,000), the total expenditure transfer into Information Technology Expenses in FY 16-17 was \$750,000. The additional appropriation of \$750,000 transferred in on the BOB amendment fully covered the \$750,000 expenditure transfer.

Also, the Department loses the ability to transfer appropriation using the budget amendment process prior to the end of the fiscal year. The 5-day transfer deadline is usually two weeks prior to June 30 and the 5% transfer deadline is usually one week prior to June 30. The certified forward process does not begin until after June 30. Without the ability to amend appropriations, the Department transfers expenditures during the certified forward process between budget entities and like categories to ensure the expenditures are covered. For example, the Department transferred expenditures from the Department Administration program, Business Service Center budget entity, Salary and Benefit category to the Department Administration program, Executive Direction and Support Services budget entity, Salary and Benefit category to cover salary payables. These transfers are made using a generic organization code so that the original expenditure is still recorded in the appropriate account for per diem purposes.

Additionally, due to the timing of meetings of the Legislative Budget Commission (LBC), the Department has limited opportunities to pursue certain budgetary transfers that cannot be submitted on a 5% or 5-day type. For example, if the Department merely needed to transfer authority within the contracted services category between two budget entities within a program and the request exceeded the 5% threshold, Chapter 216 does not allow a 5-day amendment to be submitted. Therefore, the Department would have to submit an amendment for LBC approval. However, if this need arises after Session ends and the LBC does not meet again before the end of the fiscal year, the appropriation cannot be amended.

Also, due to the timing of LBC meetings, the Department normally must submit an amendment which would require LBC approval in February (or earlier depending upon Session dates) to ensure that it can be picked up in GAA BOB language during Session. Given the dynamic nature of factors impacting expenditures, projections

between programs, categories and budget entities can change dramatically between February and the end of the year.

For example, the financial impact of unexpected, and untimely, events such as disturbances and natural disasters can greatly change the appropriation required in any program, budget entity or category at any point during the fiscal year. The Department cannot predict when (will the Department have any opportunity to submit an LBC amendment?) or where (which institution and what budget entity is it funded in) these events may occur. Response to natural disasters impact multiple programs, budget entities and categories as the Department takes emergency protective measures during and following the event (mass transfer of inmates, overtime, purchase of supply stock, actions to mitigate damage). Following a natural disaster, the Department must pay for debris removal and begin working on permanent restoration of buildings, infrastructure and contents. This could involve nine budget entities and eight categories in the Security program alone. With limited 5%/5 day/LBC opportunities it is virtually impossible to perfectly align appropriation with expenditures by the end of the fiscal year.

Another example of an unpredictable financial impact is in Health Services. The financial plan and budgetary transfers are based on known variables at the time. If the Department suddenly has inmates who develop catastrophic illnesses, projections can change drastically. If additional costly cancer treatment drugs are required, the projection in the General Drugs category will dramatically increase. Depending upon the timing, the Department may not have an opportunity to submit a budget amendment to cover the additional need from another category. However, the Department must still provide constitutionally adequate health care services and expenditure transfers may be necessary to accomplish this.

To reduce the reliance on expenditure transfers and make the budget entity structure more manageable, the Department has attempted several times to consolidate budget entities through the legislative budget request (LBR) process. In FY 13-14, the Department submitted an LBR to consolidate ten budget entities within the Security and Institutional Operations program to five (see Attachment C). This request was not picked up by the Legislature. In FY 16-17, the Department submitted an LBR to consolidate budget entities within Department Administration, Security and Institutional Operations and Health Services (see Attachment D). This request was not picked up by the Legislature. In FY 17-18, the Department submitted an LBR to consolidate two budget entities each within Department Administration, Security and Institutional Operations and Health Services (see Attachment E). This request was picked up by the Legislature. In FY 18-19, the Department submitted an LBR to consolidate two budget entities with Security and Institutional Operations (see Attachment F). This request was not picked up by the Legislature.

Management's Follow-Up Response: Please see original response. There has been no change in the Department's position on this issue.

Auditor Comments: Program Management's position is that the Department did adhere to statutory budget transfer requirements. As such management is responsible for their position regarding this matter. No further follow-up will be conducted by Bureau of Internal Audit, Inspections, and Evaluations.

Finding 10: The Department did not always obtain and adequately document prior authorization and justification for overtime worked by correctional officers. Also, certain overtime hours paid exceeded the overtime hours authorized and justified in Department records.

Recommendation: Department management ensure that overtime hours paid are adequately supported and evidenced by prior authorization and justification in Department records in accordance with Department procedures.

Management's Original Response: The Department will reiterate to the Wardens our current requirement to document authorization and justification in the roster management system prior to correctional officers working more than 60-hours of overtime within a 28-day cycle in accordance with FDC procedure 208.062 "Overtime."

Management's Follow-Up Response: FDC Procedure 208.062 was revised and now allows security staff to work 72-hours of overtime within a 28-day cycle. The Office of Institutions reiterated to the Wardens our current requirement to document authorization and justification in the roster management system prior to correctional officers working more than 72-hours of overtime within a 28-day cycle in accordance with FDC procedure 208.062 "Overtime."

Auditor Comments: Audit staff was provided the email sent to Wardens reiterating the current requirement to document authorization and justification in the roster management system prior to correctional officers working more than 72-hours of overtime within a 28-day cycle in accordance with FDC procedure 208.062 "Overtime." The Office of Institutions has taken steps to address the finding. No further follow-up is warranted by Bureau of Internal Audit, Inspections, and Evaluations.

Finding 11: As similarly noted in prior audit reports, most recently in our report No. 2016-179, the Department records did not always accurately reflect motor vehicle usage and fuel cost information.

Recommendation: Department management establish procedures for periodically reviewing and verifying the accuracy and completeness of the information included in Vehicle Record forms and FLEET system records.

Management's Original Response: The Department concurs with this recommendation. The Department will establish procedures for periodically reviewing and verify the accuracy and completeness of the information included in the Vehicle Records form and FLEET (currently FIMS) records. The Department currently reviews a random sample of vehicles records each month for accuracy and

completeness. In addition, since January 2019, the Department held targeted conference calls with specific program areas to further clarify and provide specific feedback on the importance of accurate and complete Vehicle Records forms.

The Department will reiterate to Wardens and Regional Directors our current requirement to accurately complete form DC2-524 "Florida Department of Corrections Vehicle Record" in accordance with FDC procedure 205.019 "Procurement, Assignment, Use, and Control of State Vehicles."

Management's Follow-Up Response: As originally reported in our July 2019 response, we continue to conduct random samples of vehicle logs. Since July, we have taken a more proactive approach and have increased our sample size. As of close of business on December 3, 2019, approximately 466 contacts have been made with field staff regarding data integrity. The number of field contacts does not accurately reflect the effort made to moderate the data. This labor-intensive review does not account for the numerous one-on-one phone calls used for individualized training purposes and vehicle log/work order spreadsheet corrections. Finally, these contacts do not account for any communications transmitted prior to August 22, 2019 in regard to the same issue.

Also, we continued our efforts by conducting conference calls as another means of promoting accuracy and completeness of data. Prior to the conference calls, attendees are sent an agenda items to be discussed which includes the accuracy of the vehicle log data and continued compliance with FDC Procedure 205.019.

Conference calls were held on the following dates:

- August 22, 2019
- September 26, 2019
- September 30, 2019

We will continue to take proactive steps in ensuring that we comply with departmental protocols.

Auditor Comments: Audit Staff reviewed emails pertaining to samples of vehicle logs and documentation of conference calls with field staff concerning vehicle log issues. The Office of Administration has taken steps to address the finding. No further follow-up is warranted by Bureau of Internal Audit, Inspections, and Evaluations.