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Inspector General Steve Rumph

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July 29, 2019

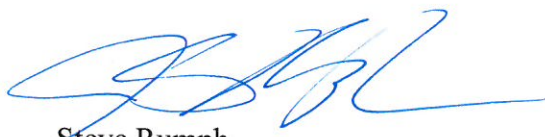
Kathy DuBose
Joint Legislative Auditing Committee
876 Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1400

Dear Ms. DuBose:

Enclosed for your review is our follow-up audit report #18-24, which provides the status of implementation of recommendations originally suggested by the Auditor General in their Department of Legal Affairs, Medicaid Fraud Control Unit, Selected Administrative Activities, and Prior Audit Follow-up Report No. 2019-097.

If you have any questions, please call Judy Goodman at (850) 414-3591.

Sincerely,



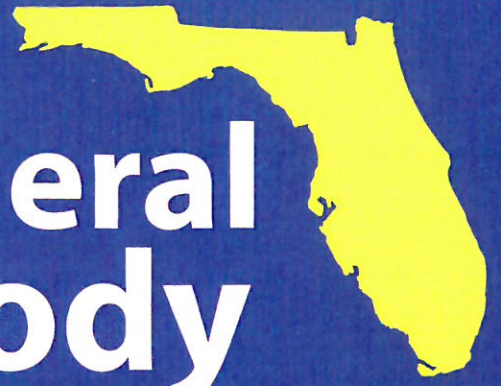
Steve Rumph
Inspector General

SR/jmg

Enclosure: OIG Audit Report No. 18-24

Florida

Attorney General Ashley Moody

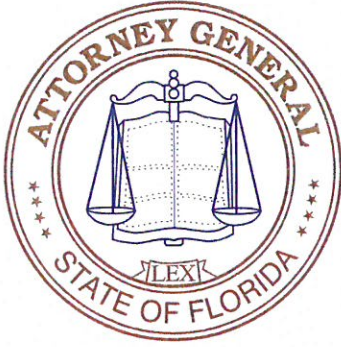


Office of Inspector General
Follow-up to the State of Florida
Auditor General's Department of Legal Affairs
Medicaid Fraud Control Unit,
Selected Administrative Activities,
and Prior Audit Follow-up
Report No. 2019-097
OIG Audit Report #2018-24



Steve Rumph
Inspector General

July 2019



Executive Summary

*OIG Audit Report No. 2018-24
Follow-up to the State of Florida
Auditor General's
Department of Legal Affairs
Medicaid Fraud Control Unit,
Selected Administrative Activities,
And Prior Audit Follow-Up
Reports No. 2019-097*

Why This Audit Was Performed

The general objectives of this audit were to: determine the status of corrective actions and/or management decisions related to the findings reported in the follow-up report mentioned above as of July 2019.

Previous Audit Recommendations

Recommendation One:

We recommend that Department management take steps to ensure that annual MFCU evidence room inventories are properly conducted and documented in accordance with established policies and procedures.

Status: Implemented

Recommendation Two:

We recommend that Department management ensure that the responsibilities for Case Management Database modifications are appropriately separated and that Department records evidence the entire change management process.

Status: Implemented

Recommendation Three:

We recommend that Department management strengthen procedures to ensure that FLAIR access privileges are deactivated immediately upon a user's separation from Department employment.

Status: Implemented

Recommendation Four:

We recommend that Department management enhance property management procedures to specify a time frame for adding tangible personal property to Department property records and ensure that Department property records are timely updated for property acquisitions. We also recommend that Department management ensure that donated property items are recorded at fair market value in accordance with DFS rules.

Status: Implemented

Recommendation Five:

We recommend that Department management provide additional training to BVC staff to ensure that claims information used to process applications and determine eligibility is complete and agrees with applicable supporting documentation.

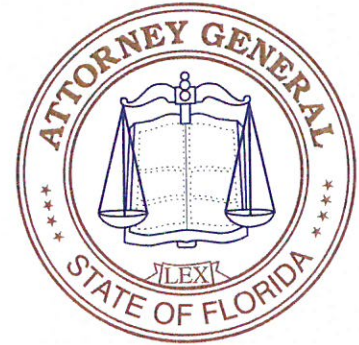
Status: Implemented

Recommendation Six:

We again recommend that Department management ensure that VOCA annual victim assistance grant program monitoring reports and supporting documentation are timely reviewed and approved in accordance with established procedures.

Status: Implemented

*Department of Legal Affairs
Office of the Attorney General
Office of Inspector General*



**Follow-up to the State of Florida
Auditor General's Department of Legal Affairs
Medicaid Fraud Control Unit,
Selected Administrative Activities,
And Prior Audit Follow-up
Report No. 2019-097
OIG Audit Report #2018-24**

Final Report

July 31, 2019

Assignment No. 2018-24

Purpose

This follow-up report advises the Attorney General, the Auditor General, the Office of Program Policy Analysis and Government Accountability, and the Joint Legislative Auditing Committee of the status of corrective actions related to findings reported by the State of Florida Auditor General in their Department of Legal Affairs Medicaid Fraud Control Unit, Selected Administrative Activities, and Prior Audit Follow-up dated January 2019.

Standards

Our work was performed in accordance with the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors and Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Scope

The scope of this review was to determine the status of corrective actions and/or management decisions related to the findings reported in the report mentioned above as of July 2019.

Methodology

As a part of this assignment, Office of Inspector General staff:

- Requested staff to assess status of implementation of recommendations from the previous report; and
- Reviewed documents and made observations necessary to corroborate their assertions relating to the status of audit findings reported in the previous report.

Conclusion

The previous audit recommendations have been implemented.

Findings, Recommendations and Status by Division

Medicaid Fraud Control Unit

Finding One:

The Department did not always properly conduct or document annual MFCU evidence room inventories in accordance with established policies and procedures.

Recommendation One:

We recommend that Department management take steps to ensure that annual MFCU evidence room inventories are properly conducted and documented in accordance with established policies and procedures.

Previous Audit Response:

On several occasions, due to a failure of our Evidence Room Database, staff needed an alternative method to accurately verify evidence inventories. They utilized the actual (onsite) Property and Evidence Reports. Thus, they were able to work around the technical failure and reach one hundred percent (100%) evidence inventory verification. We are in the process of acquiring a "state of the art" evidence inventory software. When implemented, the new software will make the current Evidence Room Database obsolete. In so doing, it will simplify and streamline the entire evidence gathering, inventorying and reporting process.

Current Status Report:

MFCU has looked at new software for evidence. At this time, MFCU is waiting on the new OAG case management procurement to ensure that any new evidence software is compatible with the new

case management software. MFCU headquarters will continue to work with the offices and assist with the annual evidence room inventories when needed. Also, MFCU is currently reviewing and revising current policies and procedures.

Auditor's Conclusion: Implemented.

Finding Two:

Department change management controls need enhancement to ensure that the responsibilities for Case Management Database modifications are appropriately separated and that Department records evidence the entire change management process.

Recommendation Two:

We recommend that Department management ensure that the responsibilities for Case Management Database modifications are appropriately separated and that Department records evidence the entire change management process.

Previous Audit Response:

At the Unit level, we concur and we have begun implementing your recommendation.

Current Status Report:

MFCU has implemented the product Build Manager from Teamstudio. This product works with IBM Notes and has been set up to work with the MFCU Complaint & Case Management data base. Build Manager allows for an audit trail of all design changes. It has been set up with a Development Environment, Usability Environment (testing), and Production Environment. Authority is clearly defined to ensure a separation of duties. Design changes go

to the designated approver before design changes can be put into the Production Environment.

Auditor's Conclusion: Implemented

Selected Administrative Activities:

Finding Three:

In some instances, the Department did not timely deactivate user access privileges to the Florida Accounting Information Resource Subsystem upon an employee's separation from Department employment.

Recommendation Three:

We recommend that Department management strengthen procedures to ensure that FLAIR access privileges are deactivated immediately upon a user's separation from Department employment.

Previous Audit Response:

FLAIR access control records will be reviewed upon receipt of employee termination notice to ensure prompt deactivation.

Current Status Report: Employee termination notices are reviewed to determine if FLAIR access has been assigned. Due to the change in the process for approval of purchasing card transactions, there are fewer FLAIR users assigned for the department.

Auditor's Conclusion: Implemented

Finding Four:

The Department did not always timely or accurately record tangible personal property acquisitions in Department property records.

Recommendation Four:

We recommend that Department management enhance property management procedures to specify a time frame for adding tangible personal property to Department property records and ensure that Department property records are timely updated for property acquisitions. We also recommend that Department management ensure that donated property items are recorded at fair market value in accordance with DFS rules.

Previous Audit Response:

The department's procedure for updating property records during physical inventory periods will be modified to ensure that property records are timely updated. In the event the department receives donated property, fair market value will be used to record the item(s) in FLAIR.

Current Status Report:

Finance and Accounting works the property pending file on a daily basis to avoid delay. Transactions are researched for any coding problems by reviewing supporting documentation and tagging is processed. Property tags are forwarded to offices outside of Tallahassee for physical application. Annual inventory for FY18-19 was conducted 03/07-04/19/2019. Any items donated to the department are currently being entered in FLAIR with estimated value at the time of receipt.

Auditor's Conclusion: Implemented

Victim Services

Finding Five:

As similarly noted in prior audit reports, most recently in our report No. 2017-010, the information necessary to process crime victims'

applications for compensation was not always complete or did not always agree with the applicable supporting documentation.

Recommendation Five:

We recommend that Department management provide additional training to BVC staff to ensure that claims information used to process applications and determine eligibility is complete and agrees with applicable supporting documentation.

Previous Audit Response:

The finding is accepted, and staff retraining has been completed.

Current Status Report:

Additional re-training of staff has been completed. Entries that are in agreement with applicable supporting documentation is generally talked about and a part of ongoing discussions we have with staff while providing new-employee training and during one-on-one instruction. See new-employee training agendas and completion sheets. We do not keep, nor do we plan to start keeping detailed records of one-on-one instruction which is provided to each employee as needed.

Auditor's Conclusion: Implemented

Finding Six:

The Department did not always ensure that annual victim assistance grant program monitoring reports and supporting documentation were timely reviewed and approved. Similar findings were noted in our report Nos. 2017-010 and 2013-123.

Recommendation Six:

We again recommend that Department management ensure that VOCA annual victim assistance grant program monitoring reports and supporting documentation are timely reviewed and approved in accordance with established procedures.

Previous Audit Response:

The Program Administrator that was assigned at the time of the audit did not follow protocol and has been demoted and transferred to another position. Interviews are in progress for a replacement Program Administrator.

Current Status Report:

Victim Assistance program monitoring reports and supporting documentation are being reviewed and approved on a timely basis

Auditor's Conclusion: Implemented



Inspector General's Statement

This engagement was conducted pursuant to Section 20.055, F.S. in accordance with *The International Standards for the Professional Practice of Internal Auditing*. This engagement was conducted by Judy M. Goodman, Director of Auditing.

The Office of Inspector General would like to thank management and staff for their assistance and cooperation extended to us during our follow-up audit.

Sincerely,

Steve Rumph
Inspector General



To contact the Office of Inspector General:

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Office of the Attorney General

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Tallahassee, Florida 32399-1050

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