

**DEPARTMENT OF
CHILDREN AND FAMILIES**

Selected Administrative Activities
and Child Care Provider Regulation
Prior Audit Follow-Up



Sherrill F. Norman, CPA
Auditor General

Secretary of the Department of Children and Families

The Department of Children and Families is established by Section 20.19, Florida Statutes. The head of the Department is the Secretary who is appointed by the Governor and subject to confirmation by the Senate. During the period of our audit, the following individuals served as Department Secretary:

Chad Poppell from January 14, 2019

Rebecca Kapusta, Interim, September 7, 2018, through January 13, 2019

Mike Carroll through September 7, 2018

The team leader was Lynley B. Trent, CPA, and the audit was supervised by Lisa Norman, CPA.

Please address inquiries regarding this report to Lisa Norman, CPA, Audit Manager, by e-mail at lisanorman@aud.state.fl.us or by telephone at (850) 412-2831.

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DEPARTMENT OF CHILDREN AND FAMILIES

Selected Administrative Activities and Child Care Provider Regulation Prior Audit Follow-Up

SUMMARY

This operational audit of the Department of Children and Families (Department) focused on the procurement of goods and services and other selected administrative activities. The audit also included a follow-up on the findings noted in our report No. 2019-101. Our audit disclosed the following:

Finding 1: Despite policy prohibitions on text and instant messaging using Department mobile devices, 1,450 Department cellular telephones were used to send or receive 62,498 text messages during the period January 2020 through March 2020, according to monthly billing statements for Department Headquarters. Additionally, the Department had not disabled iMessaging on Department Apple devices and Department controls did not promote the retention of text messages and iMessages in accordance with State public records law.

Finding 2: As similarly noted in our report No. 2019-101, Department controls for ensuring the timely conduct of child care provider reinspections to determine whether violations had been corrected need improvement.

Finding 3: Department records did not always evidence that family day care homes satisfied child immunization records requirements. A similar finding was noted in our report No. 2019-101.

BACKGROUND

State law¹ provides that the Department of Children and Families (Department) is to work in partnership with local communities to protect the vulnerable, promote strong and economically self-sufficient families, and advance personal and family recovery and resiliency. The Department plans, administers, and delivers most of its services to target groups through offices in 6 regions² and 20 circuits. The regional offices are responsible for support services, contract management, and local program office functions, such as the licensing of child care providers and foster homes. The circuits are responsible for field operations, such as child and adult protective investigations and public assistance eligibility determinations. For the 2020-21 fiscal year, the Legislature appropriated approximately \$3.4 billion to the Department and authorized 12,052.75 positions.³

¹ Section 20.19, Florida Statutes.

² The Department regions are Northwest, Northeast, Central, Suncoast, Southeast, and Southern.

³ Chapter 2020-111, Laws of Florida.

FINDINGS AND RECOMMENDATIONS

Finding 1: Use and Retention of Text and Instant Messages

State law⁴ requires the Department to maintain public records in accordance with the records retention schedule⁵ established by the Department of State, Division of Library and Information Services. The schedule specifies that the retention periods for electronic communications, including text and instant messages, are based on the content, nature, and purpose of the messages. Some of the purposes include administrative correspondence (3 fiscal years), program and policy development correspondence (5 fiscal years), and transitory messages, which are to be maintained until obsolete, superseded, or administrative value is lost.

Although Department policies and procedures⁶ prohibited the use of text and instant messaging on Department mobile devices, including cellular telephones, our evaluation of the effectiveness of Department mobile device controls disclosed that the Department did not adequately enforce the prohibitions on text messaging on Department mobile devices and instant messaging on Department Apple devices (iMessages). Specifically, our examination of monthly billing statements for Department Headquarters disclosed that, during the period January 2020 through March 2020, 62,498 text messages were sent from or received by 1,450 Department cellular telephones. Additionally, the Department had not disabled iMessaging on Department Apple devices and Department records did not evidence whether iMessaging had been used on these devices. As of October 15, 2020, the Department had 4,152 Apple devices. Further, we noted that Department controls did not promote the retention of text messages and iMessages in accordance with the State records retention schedule. In response to our audit inquiry, Department management indicated that the Department did not manage or support a method to retain text messages or iMessages as Department policies and procedures prohibited the use of texting and iMessaging on Department mobile devices.

Effective controls for enforcing policy prohibitions on text messaging and iMessaging on Department mobile devices, including controls for monitoring mobile device user compliance, would help ensure that such devices are used in accordance with management's expectations. Absent such controls, or a method to adequately retain text messages and iMessages, such messages may be sent or received and not be retained in accordance with State law, diminishing the Department's ability to provide access to public records.

Recommendation: We recommend that Department management enhance mobile device controls to enforce policy prohibitions on text messaging and iMessaging on Department mobile devices. We also recommend that, should text messages and iMessages be sent or received by Department mobile devices, management ensure that such messages are retained in accordance with State law.

⁴ Section 119.021(2)(b), Florida Statutes.

⁵ State of Florida *General Records Schedule GS1-SL for State and Local Government Agencies*.

⁶ Department Procedure No. 50-22, *Acceptable Use of Information Technology Resources*.

Finding 2: Child Care Provider Reinspections

State law⁷ provides that, to protect the health and welfare of children, it is the intent of the Legislature to develop a regulatory framework that promotes the growth and stability of the child care industry and facilitates the safe physical, intellectual, motor, and social development of the child. To that end, the Department is responsible for licensing and regulating child care facilities, family day care homes, large family child care homes, and specialized facilities for the care of mildly ill children, as well as registering and overseeing certain family day care homes. To ensure that licensing requirements are met, the Department is responsible for conducting ongoing inspections of child care providers.

The Department's *Child Care Licensing Program Desk Reference Guide (Guide)* detailed, among other things, the inspection and reinspection requirements for child care facilities, family day care homes, and large family child care homes. The *Guide* included recommended time frames for child care providers to correct violations, based on the class of violation and the amount of time it would take to correct the deficiency.

In our report No. 2019-101 (Finding 2), we noted that the Department did not always timely conduct reinspections of child care providers to determine whether violations had been corrected. In response to our audit, the Department issued a new policy that required reinspections to be completed as early as 1 business day after the violation corrective action due date, but no later than 10 business days after the corrective action due date.

To monitor the effectiveness of the new policy, the Department revised the quarterly monitoring tool used to assess each region's performance to include an assessment of the timeliness of child care provider reinspections. The five regions licensed and regulated by the Department⁸ were scored on performance and Department management required each region to score a 5, on a scale of 0 to 5, for the standard to be substantially met. Our examination of the Department's monitoring tool for the quarter ended December 2019 disclosed that reinspections of child care providers were still not always timely conducted, as four⁹ of the five regions scored below 5 on the assessment, with scores ranging from 3.77 to 4.67 and averaging 4.11. Our further examination of Department monitoring records disclosed that:

- 16 of the 70 reinspections reviewed by the Department for the quarter ended December 2019 were conducted 10 to 69 (an average of 28) business days late.
- One reinspection did not address a missing fire inspection deficiency noted during the original inspection.

According to Department management, Department staff addressed the reinspection issues noted during both the monitoring reviews and staff meetings and that training had also been provided to inspections staff. However, the Department was unable to provide documentation evidencing these actions.

⁷ Section 402.26(3), Florida Statutes.

⁸ Child care providers in the Southeast region are licensed and regulated by local agencies.

⁹ The Central, Northwest, Southern, and Suncoast regions.

Establishing effective controls over child care provider reinspections promotes the consistent conduct of timely and effective reinspections necessary to demonstrate the status of corrective actions for all noted deficiencies.

Recommendation: We recommend that Department management continue efforts to ensure that child care provider reinspections are timely and effectively conducted. Such efforts should include periodic monitoring of the timeliness and effectiveness of the reinspections conducted by the regions and documentation to evidence the actions taken to address any noted deficiencies.

Finding 3: Family Day Care Home Immunization Records

State law¹⁰ provides that, if a family day care home is not subject to licensure under a county ordinance or resolution, the home is to annually register with the Department. As part of the registration process, family day care homes are to provide the Department information such as the name of the home operator, the number of children served, proof that child care personnel were subject to background screenings, and proof that child immunization records are current. The registration process must be completed prior to providing child care.

In our report No. 2019-101 (Finding 1), we noted that Department records did not always evidence that family day care home child immunization records were current. In response to our audit, the Department implemented a *Family Day Care Home Registration Checklist* (Checklist) on November 20, 2018, to document the receipt of immunization records at the time of registration renewal. As part of our follow-up audit procedures, we requested the Checklist for 60 of the 515 family day care homes that renewed their registration during the period November 20, 2018, through January 31, 2020. Our audit procedures disclosed that, due to employee oversight, the Department was unable to provide a Checklist demonstrating review of the immunization records for 4 of the 60 family day care homes.

Absent adequate controls over the registration of family day care homes, the Department has reduced assurance that providers will satisfy all registration requirements, including child immunization requirements.

Recommendation: We recommend that Department management strengthen controls to ensure that Checklists are retained in Department records evidencing that family day care home immunization records are current.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, the Department had taken corrective actions for the findings included in our report No. 2019-101.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant

¹⁰ Section 402.313, Florida Statutes.

information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2020 through October 2020 in accordance with 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit of the Department of Children and Families (Department) focused on the procurement of goods and services and other selected administrative activities. For those areas, the objectives of the audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed into operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our audit also included steps to determine whether management had corrected, or was in the process of correcting, all deficiencies noted in our report No. 2019-101.

In planning and conducting our audit, we assessed whether internal controls were significant to our audit objectives by considering the internal control integrated framework established by the Committee of Sponsoring Organizations (COSO)¹¹ and adapted for a government environment within the *Standards for Internal Control in the Federal Government* issued by the United States Government Accountability Office. That framework is illustrated in the following table.

¹¹ The Committee of Sponsoring Organizations (COSO) of the Treadway Commission was established in 1985 to develop guidance in the areas of risk and control which enable good organizational governance and reduction of fraud. Pursuant to their mission, COSO developed a framework for internal control that consists of five components and 17 underlying principles.

COSO Internal Control Integrated Framework

Internal Control Component	Description	Underlying Principles (To be Applied by the Governor and Department Management)
Control Environment	Standards, processes, and structures that provide the basis for carrying out internal control across the organization. Represents the foundation on which an effective internal control system is built.	<ul style="list-style-type: none"> • Demonstrate commitment to integrity and ethical values. • Exercise oversight responsibility. • Establish structures and reporting lines and assign authorities and responsibilities. • Demonstrate commitment to a competent workforce. • Hold individuals accountable for their responsibilities.
Risk Assessment	Management's process to consider the impact of possible changes in the internal and external environment and to consider actions to mitigate the impact. The basis for how risks will be managed.	<ul style="list-style-type: none"> • Establish clear objectives to define risk and risk tolerances. • Identify, analyze, and respond to risks. • Consider the potential for fraud. • Identify, analyze, and respond to significant changes that impact the internal control system.
Control Activities	Activities in the form of policies, procedures, and standards that help management mitigate risks. Control activities may be preventive in nature or detective in nature and may be performed at all levels of the organization.	<ul style="list-style-type: none"> • Design control activities to achieve objectives and respond to risks. • Design control activities over technology. • Implement control activities through policies and procedures.
Information and Communication	Information obtained or generated by management to support the internal control system. Communication is the dissemination of important information to help the organization meet requirements and expectations.	<ul style="list-style-type: none"> • Use relevant and quality information. • Communicate necessary information internally to achieve entity objectives. • Communicate necessary information externally to achieve entity objectives.
Monitoring	Periodic or ongoing evaluations to verify that the internal control system is present and functioning properly.	<ul style="list-style-type: none"> • Conduct periodic or ongoing evaluations of the internal control system. • Remediate identified internal control deficiencies on a timely basis.

We determined that all components of internal control and underlying principles were significant to our audit objectives.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in internal controls significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Department policies and procedures, and other guidelines, and interviewed Department personnel to obtain an understanding of Department processes for procuring goods and services.
- Obtained an understanding of Department internal controls and evaluated the effectiveness of key Department processes, policies, and procedures related to the procurement of goods and services.
- Obtained an understanding of selected Department information technology (IT) controls, assessed the risks related to those controls, evaluated whether selected general and application IT controls for the Contract Accountability Reporting System and the Contract Evaluation Reporting System were in place, and tested the effectiveness of the selected controls.
- Selected and examined for audit Department contracts, purchase orders, subrecipient subawards, and related monitoring and payments records, excluding Community-Based Care Lead Agency and Behavioral Health Managing Entity subawards and the Department's contract with the Florida Coalition Against Domestic Violence. Specifically:
 - From the population of 140 subrecipient awards, totaling \$851,075,837, executed during the period July 2018 through January 2020, examined Department records for 32 selected awards, totaling \$54,290,154, to determine whether the awards were made in accordance with applicable laws, rules, and other guidelines.
 - From the population of 33 procurement contracts, totaling \$32,544,557, executed during the period July 2018 through January 2020, examined Department records for 7 selected procurement contracts, totaling \$8,951,407, to determine whether the contracts were procured in accordance with applicable laws, rules, and other guidelines.
 - From the population of 33 procurement contracts and 140 subrecipient awards, totaling \$883,620,394, executed during the period July 2018 through January 2020, examined 18 selected contracts and 22 selected awards, collectively totaling \$106,439,356, to determine whether the contract and award documents included the provisions required by Section 287.058, Florida Statutes, and whether the contracts were accurately entered into the Florida Accountability Contract Tracking System (FACTS).
 - From the population of 37,130 purchase orders, totaling \$314,031,244, executed during the period July 2018 through January 2020, examined Department records for 40 selected purchase orders, totaling \$36,759,411, to determine whether the purchase orders were issued in accordance with applicable laws, rules, and other guidelines.
 - From the population of 167 contracts, totaling \$1,134,461,176, executed during the period July 2018 through January 2020 and managed by the Office of Client Contracted Services, examined Department records for 25 selected contracts, totaling \$203,711,340, to determine whether the Department's contract managers conducted adequate oversight to ensure that the contracted goods and services were provided in accordance with contract terms and conditions and other applicable guidelines.

- From the population of 248 desk reviews and 32 on-site monitoring visits completed by the Department for selected contracts during the period July 2018 through January 2020, examined Department records for 33 selected desk reviews and 7 selected on-site monitoring visits to determine whether the monitoring engagements were adequately conducted to verify that contracted goods and services were delivered in accordance with contract terms and conditions and other applicable guidelines.
- From the population of 111,303 contract payments, totaling \$1,181,873,157, and 178,616 purchase order payments, totaling \$287,591,776, made during the period July 2018 through January 2020, examined 25 selected contract payments totaling \$7,463,025 and 25 selected purchase order payments totaling \$4,594,175 to determine whether the payments were authorized, supported, reviewed, paid only after receipt of contract or purchase order deliverables, and accurately recorded in Department accounting records in accordance with applicable laws, rules, contract provisions, and other guidelines.
- For the 56 contracts, totaling \$71,088,902, closed or terminated during the period July 2018 through January 2020, compared the contract amount for each contract to the total payments by contract in FACTS to determine whether Department contract payments exceeded the contract amount. Also, selected and examined contract documents and accounting records for 5 of the 56 contracts to determine whether the amounts recorded in FACTS were accurate.
- Analyzed information in FACTS for Department contracts and purchase orders active during the period July 2018 through January 2020 to determine whether the goods and services purchased through the contracts and purchase orders appeared reasonable.
- Evaluated Department actions to correct the findings noted in our report No. 2019-101. Specifically, we:
 - Performed inquiries of Department management and examined Department monitoring tool records for the quarter ended December 2019 to determine whether administrative fines were properly imposed on child care providers who did not timely submit license renewal applications in accordance with Department rules and whether the process for imposing such fines was subject to appropriate monitoring.
 - From the population of 515 family day care homes that renewed their registration with the Department during the period November 20, 2018, through January 31, 2020, examined Department records for 60 selected family day care homes to determine whether Department records evidenced that family day care home immunization records were current.
 - Performed inquiries of Department management and examined Department monitoring tool records for the quarter ended December 2019 to determine whether child care provider reinspections were timely completed and the reinspection process was subject to appropriate monitoring.
 - Reviewed Florida Safe Families Network (FSFN) records to determine whether FSFN was enhanced to demonstrate the date initial foster home licenses were issued, distinguish between initial and renewed licenses, and reflect the licensing entity.
- Observed, documented, and evaluated the effectiveness of selected Department processes and procedures for:
 - The assignment and use of mobile devices with related costs totaling \$4,168,299 during the period July 2018 through December 2019.
 - The administration of the requirements of the Florida Single Audit Act. During the period July 2018 through December 2019, the Department expended \$123,105,915 for 53 State Financial Assistance programs.

- The acquisition and management of real property leases in accordance with State law, Department of Management Services rules, and other applicable guidelines. As of February 2020, the Department was responsible for 118 real property leases.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name being the most prominent.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



State of Florida
Department of Children and Families

Ron DeSantis
Governor

Chad Poppell
Secretary

December 11, 2020

Sherrill F. Norman, Auditor General
State of Florida Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Sherrill Norman:

This letter is in response to the preliminary and tentative audit findings and recommendations for the Auditor General *Operational Audit of the Department of Children and Families, Selected Administrative Activities and Child Care Provider Regulation Prior Audit Follow-Up*, delivered November 12, 2020.

Finding 1: Despite policy prohibitions on text and instant messaging using Department of Children and Families (DCF) mobile devices, 1,450 Department cellular telephones were used to send or receive 62,498 text messages during the period January 2020 through March 2020, according to monthly billing statements for Department Headquarters. Additionally, the Department had not disabled iMessaging on Department Apple devices and Department controls did not promote the retention of text messages and iMessages in accordance with State public records law.

Auditor General Recommendation: We recommend that Department management enhance mobile device controls to enforce policy prohibitions on text messaging and iMessaging on Department mobile devices. We also recommend that, should text messages and iMessages be sent or received by Department mobile devices, management ensure that such messages are retained in accordance with State law.

Department Response: The Department concurs with Finding #1 and will review current policy and actual practices associated with text messaging and iMessaging on DCF smartphones and determine whether the Department has need to take advantage of these functions for business purposes going forward. Based on the results of this analysis and final determination, the Department will document a position on the use of text messaging and iMessaging on DCF smartphones and update policies and practices accordingly by December 31, 2020. The Department will also identify the administration and operational enforcement measures and electronic record retention solutions

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necessary to support Department policy changes, then establish a schedule for implementation by January 22, 2021.

Finding 2: As similarly noted in our report No. 2019-101, Department controls for ensuring the timely conduct of child care provider reinspections to determine whether violations had been corrected need improvement.

Auditor General Recommendation: We recommend that Department management continue efforts to ensure that child care provider reinspection's are timely and effectively conducted. Such efforts should include periodic monitoring of the timeliness and effectiveness of the reinspection's conducted by the regions and documentation to evidence the actions taken to address any noted deficiencies.

Department Response: The Department concurs with the finding and will continue to conduct quarterly monitoring within each Region which includes a review of reinspection completion dates. Additionally, supervisors and program analysts will coordinate timely review of tasks associated with re-inspections on a weekly basis to ensure staff are keeping up with due dates and completing re-inspections in accordance with the 10-day policy. Documented review of the follow up will be placed within the monitoring tool.

Finding 3: Department records did not always evidence that family day care homes satisfied child immunization records requirements. A similar finding was noted in our report No. 2019-101.

Auditor General Recommendation: We recommend that Department management strengthen controls to ensure that Checklists are retained in Department records evidencing that family day care home immunization records are current.

Department Response: The Department concurs with the finding and will conduct training for staff responsible for processing registered homes to ensure all staff utilize the Registered Home Checklist document consistently. The supervisor will continue to monitor each registration packet prior to approval. If the supervisor is unavailable, the file will be reviewed by the manager to complete the checklist. A copy of the completed checklist will be scanned to the provider's electronic file as the cover page for each registration year.

Sincerely,



Chad Poppell
Secretary

Auditor General Sherrill Norman
December 11, 2020
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cc: Patricia Babcock, Deputy Secretary
David Mica, Chief of Staff
Julie Madden, Chief Information Officer
Bonny Allen, Information Security Manager
Patricia Medlock, Assistant Secretary for Child Welfare
Hue Reynolds, Director of Child Welfare Child Care Regulations
Keith Parks, Inspector General,
Steven Meredith, Director of Auditing,
Lisa Norman, Audit Manager, Office of the Auditor General