

**Audit of the Internal Controls of the  
Prevention Operations  
Report Number A-1314DJJ-006  
June 30, 2014**

**By**

**The Office of the Inspector General  
Bureau of Internal Audit**

Robert A. Munson  
Inspector General

Michael Yu, CIA, CIG  
Director of Auditing

Helene Muth, CIA, CISA  
Auditor-In-Charge

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Wansley Walters, Secretary

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**STATE OF FLORIDA  
DEPARTMENT OF JUVENILE JUSTICE**

**INTEROFFICE MEMORANDUM**

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**DATE:** June 30, 2014  
**TO:** Wansley Walters, Secretary  
**FROM:** Robert A. Munson, Inspector General   
**SUBJECT:** Final Report - *Audit #A-1314DJJ-006, Audit of the Internal Controls of the Prevention Operations*

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I have enclosed a copy of our final audit report *Audit of the Internal Controls of the Prevention Operations*. We will conduct a follow-up review to determine the status of corrective actions taken to address the reported findings.

We would like to thank Prevention & Victim Services for the assistance extended to our staff in the audit process. Please feel free to contact Michael Yu, Auditor Director, at 850-717-2468 if you have any questions.

RM/hm

Attachment

**Cc:** Christy Daly, Deputy Secretary  
Jason Welty, Chief of Staff  
Wanda Finnie, Assistant Secretary, Prevention & Victim Services  
Melinda M. Miguel, Chief Inspector General, Executive Office of the Governor  
David W. Martin, CPA, Auditor General  
Kathy DuBose, Director, Legislative Auditing Committee

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**2737 Centerview Drive • Tallahassee, Florida 32399-3100 • (850) 488-1850**

**Rick Scott, Governor**

**Wansley Walters, Secretary**

*The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.*

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**Office of Inspector General  
Bureau of Internal Audit  
Audit of the Internal Controls of the  
Prevention Operations  
Audit No. A-1314DJJ-006**

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## **EXECUTIVE SUMMARY**

The Department of Juvenile Justice (Department), Office of the Inspector General (OIG), Bureau of Internal Audit (BIA) has performed an audit of the Office of Prevention and Victim Services (OPVS) program internal controls. The audit objectives were to determine whether: (1) Adequate internal controls for OPVS are properly established and implemented at the program level; and (2) Internal controls are effective in ensuring program goals are achieved. The audit scope was from July 1, 2012 through October 28, 2013, and related activities through the end of fieldwork.

OPVS provides delinquency prevention services. Delinquency prevention programs are designed to address specific problems and provide interventions for at-risk youth and their families in order to reduce juvenile crime and protect public safety. Prevention programs target at-risk juveniles and those who exhibit problematic behaviors such as ungovernability, truancy, running away from home, and other pre-delinquent behaviors.

OPVS has been through many changes during the audit period including: state policy changes that affected the State Advisory Group (SAG) and statute changes that affected juvenile justice circuit advisory board (CAB) membership, staffing changes, and the responsibilities for contract management and monitoring transitioning to another program office. During state policy, statute, and personnel changes that affected OPVS, tasks required by federal and state laws were not completed.

The audit indicated that, at the program level, internal controls for prevention operations need improvement. Comprehensive OPVS policies and procedures are not established and implemented at the program level. Establishing comprehensive program operational procedures could provide a framework for complying with federal and state requirements and provide guidance during changes of federal regulations, Florida statutes, and OPVS staffing.

We recommend that OPVS develop and implement operational procedures to provide guidance to OPVS staff. The procedures should include the duties and responsibilities required to provide support to SAG and CAB. Additionally, the procedures should identify OPVS duties and responsibilities for contract management and monitoring when Provider Management Shared Services (PMSS) assumes those tasks.

## **Audit of the Internal Controls of the Prevention Operations Audit # A-1314DJJ-006**

### **INTRODUCTION**

#### **Background**

The Office of Prevention and Victim Services (OPVS) provides delinquency prevention services. Delinquency prevention programs are designed to address specific problems and provide interventions for at-risk youth and their families in order to reduce juvenile crime and protect public safety. Prevention programs target at-risk juveniles and those who exhibit problematic behaviors such as ungovernability, truancy, running away from home, and other pre-delinquent behaviors.

Internal controls are methods implemented by management to ensure goals and objectives are achieved. Policies and procedures are key internal controls that are established to provide a foundation and a consistent guide to be followed under a given set of circumstances. Current and effective operational guidance for OPVS is essential to ensure minimum standards are identified and the guidance serves as the foundation for providing prevention services to the community. Additionally, operational policies and procedures provide criteria for monitoring functions.

The Bureau of Internal Audit's Annual Risk Assessment for the fiscal year 2013 - 2014 audit plan indicated that the OPVS internal controls at the program level presented a high level of risk for the Department. This audit was initiated based on our 2013 - 2014 audit plan.

#### **Objective, Scope, and Methodology**

The audit objectives were to determine whether: (1) Adequate internal controls for OPVS operations are properly established and implemented; and (2) Internal controls are effective in ensuring program goals are achieved. The audit scope was from July 1, 2012 through October 28, 2013, and related activities through the end of fieldwork.

To achieve the audit objectives, we:

- reviewed applicable federal regulations;
- reviewed applicable state statutes and rules;
- reviewed Department policies and procedures;
- attended OPVS meetings;
- attended the State Advisory Group (SAG) quarterly meeting held during April 2014;
- reviewed SAG meeting minutes available from October 23, 2012 to present;

- reviewed the Department's 2012 and 2013 Title II Formula Grant and Juvenile Accountability Block Grant (JABG) applications;
- reviewed the draft SAG 2012 and 2013 annual reports to the Governor and Legislature;
- attended a juvenile justice circuit advisory board (CAB) meeting;
- attended OPVS provider training;
- interviewed OPVS headquarters management and staff;
- conducted site visits with the Prevention Specialists located in the central and southern regions;
- conducted a site visit with the Federal Juvenile Justice Delinquency Prevention (JJDP) Act compliance monitor, G4S;
- reviewed the Provider Management Shared Services (PMSS) draft policies; and,
- conducted other activities deemed necessary.

## **RESULTS OF AUDIT**

### **Program Level Internal Controls**

#### Policies and Procedures

OPVS has been through many changes during the audit period including: state policy changes that affected the State Advisory Group (SAG) and statute changes that affected juvenile justice circuit advisory board (CAB) membership, staffing changes, and the responsibilities for contract management and monitoring transitioning to another Department program area. During state policy, statute, and personnel changes that affected OPVS, tasks required by federal and state laws were not completed.

The audit revealed that OPVS did not have comprehensive procedures in place to serve as program operational guidelines to provide certain levels of assurance that program requirements are met and goals are achieved, and to provide a training tool for OPVS staff in a consistently changing environment.

We recommend that OPVS develop and implement operational procedures to provide guidance to OPVS staff for all areas included in their operations.

#### State Advisory Group Responsibilities

The federal Office of Juvenile Justice and Delinquency Prevention (OJJDP) awards Title II Formula Grants and Joint Accountability Block Grants (JABG) to support state and local programs that prevent juvenile involvement in delinquent behavior and encourage accountability for acts of juvenile delinquency.

In order to receive Title II and JABG grants, the Department must provide for a SAG, which is required by the Federal JJDP Act and the Federal Omnibus Crime Control and Safe Streets Act.

The Federal Acts identify SAG duties and responsibilities that must be conducted in order for the Department to be eligible for Title II and JABG grants. The SAG's duties and responsibilities include:

- participate in the development and review of the state's juvenile justice plan for Title II funds;
- recommend a coordinated enforcement plan for JABG funds;
- review and comment, no later than 30 days after submission to SAG, on all delinquency prevention grant applications submitted to the Department;
- submit an annual report to provide recommendations regarding compliance to the Federal Juvenile Justice and Delinquency Prevention Act of 2002 to the Governor and the Legislature; and
- review progress and accomplishments for projects funded under the state plan.

During July 2012, the Governor appointed new SAG members. The first SAG quarterly meeting was conducted during October 2012 and new SAG bylaws were finalized during March 2014. Both the old and new bylaws included SAG's duties and responsibilities identified in the Federal Acts. The bylaws include the following additional guidance:

- develop procedures for SAG's involvement that address the request for proposals, review of proposals and the recommended funding process for all projects funded by JJDP funds; and
- develop a SAG procedure regarding the promotion of community partnerships and delinquency prevention programs.

Our audit revealed that OPVS did not have controls in place during statute and staffing changes to ensure SAG duties and responsibilities required by federal laws and bylaws were accomplished. The audit identified the following issues:

- OPVS did not provide SAG with the opportunity to review and comment on the 2013 Title II Grant Application. The grant application provides the annual update to the state plan and was required to be submitted by April 1, 2013;
- SAG 2012 annual report to the Governor and Legislature has not been issued;
- OPVS did not provide SAG with the opportunity to review and comment on delinquency prevention grant applications; and
- OPVS did not provide SAG with the opportunity to review progress and accomplishments for projects funded under the state plan.

During our audit, OPVS has provided commendable assistance to the SAG including the following:

- drafted the 2014 Title II Grant Application for SAG's review and comments. SAG provided recommendations for the 2014 Title II Grant Application during April 2014;
- drafted the 2012 and 2013 SAG annual reports to the Governor and Legislature for SAG's review and approval;
- drafted procedures that will provide SAG an opportunity to review and comment on all delinquency prevention grant applications; and
- provided training for the 3-year state plan that is due to OJJDP during Spring 2015.

We recommend that OPVS develop and implement operational procedures for the administrative assistance required to support SAG duties and responsibilities that are identified in the Federal Acts and SAG bylaws.

#### Juvenile Justice Circuit Advisory Boards (CAB)

In accordance with Florida statutes, a juvenile justice CAB is established in each of the 20 judicial circuits. The purpose of the CABs is to provide advice and direction to the Department in the development and implementation of juvenile justice programs and to work collaboratively with the Department in seeking program improvements and policy changes to address the emerging and changing needs of Florida's youth who are at the risk of delinquency. Legislative changes during the 2013 session provided for CAB structural changes. The legislative changes eliminated the requirement for a juvenile justice county council to be established in each of the 67 counties. Instead, counties are represented within the CAB membership. The new CABs were established during October 2013.

Florida statutes identify CAB membership requirements and their duties and responsibilities include:

- CABs shall have a minimum of 16 members and the membership must reflect sectors identified in statutes;
- the chair shall appoint members to the CAB within 45 days after being appointed and submit the appointments to the Department for approval;
- CABs shall have bylaws and the bylaws must be approved by the Department;
- develop a comprehensive plan for their circuit;
- provide recommendations for grants to be administered by community partners;
- provide recommendations to the Department in the evaluation of prevention and early intervention programs; and
- provide an annual report to the Department describing CAB activities.

Florida statutes also states that the Department shall encourage each of the juvenile justice CABs to propose at least one innovation zone within the circuit for the purpose of implementing any experimental, pilot, or demonstration project that furthers the legislatively established goals of the Department.

Our audit revealed that there was a lack of controls to manage CAB activities. A significant part of CAB duties and responsibilities were not completed. The audit identified the following issues:

- Two out of the 20 CABs did not have a minimum of 16 members;
- OPVS does not have a copy of any of the CABs' bylaws that were adopted, signed, and approved by the Department;
- OPVS does not have current documented procedures for CAB requirement to provide recommendations for grants to be administered by community partners;
- OPVS does not have current documented procedures for CAB requirement to provide recommendations to the Department in the evaluation of prevention and early intervention programs; and
- CAB bylaws template provided by OPVS does not include CAB responsibilities for innovation zones. Additionally, our discussions with OPVS management indicated that OPVS was not familiar with the purpose and requirements for innovation zones identified in statutes because innovation zones have not been utilized during management's tenure.

We recommend OPVS perform the following:

- develop and implement procedures to ensure CABs' membership is established and CABs' bylaws are adopted, signed and approved by the Department in accordance with Florida statutes;
- develop and implement procedures to ensure CABs provide recommendations for grants to be administered by community partners and the evaluation of prevention and early intervention programs; and
- review the requirements for innovation zones identified in Florida statutes and implement procedures to comply with statutes or initiate the process to amend the statutes to eliminate the requirement for innovation zones, if deemed necessary.

### Contract Management and Monitoring

During our audit period, OPVS was responsible for their program's contract management and monitoring. The Department's FDJJ - 2000 Program Monitoring Policy provides guidance for contract management and monitoring and includes the following guidance:

- the contract manager is responsible for enforcing performance of the contract terms and conditions and shall serve as a liaison with the contractor; and
- contract manager delegation responsibility must be in writing and a copy maintained in the contract file.

The OPVS Grant and Contract Management and Monitoring Implementation Guidelines provides additional guidance and includes the following procedures:

- a monitoring prioritization instrument for programs providing direct services to youth will be completed on an annual basis to determine risk to the Department;
- a programmatic monitoring schedule will be developed annually by OPVS;
- conduct an annual review of a sample of active grant agreements/contracts to ensure required documentation is being maintained pursuant to policy;
- all documentation relating to the management of the grant agreements or contracts should be maintained in a standard manner permitting ease of review and audit; and
- email a copy of the Monitoring Report to the State Advisory Group SAG for federally funded grant programs.

When interviewed, OPVS staff stated that they were unaware of some of the requirements included in the OPVS Grant and Contract Management and Monitoring Implementation Guidelines, due to staff transitions. Additionally, OPVS staff stated there was a lack of travel funds to conduct site visits with Prevention Specialists to review their contract management and monitoring files.

Our audit revealed that controls for contract management and monitoring were not effective. The audit identified the following issues:

- contract amendments for contract manager delegation changes were not completed;
- the contract monitoring prioritization tool to assess risks associated with individual contracts was not utilized;
- a contract monitoring plan or schedule was not established;
- an annual review of a sample of contract management and monitoring files was not conducted;
- contract management and monitoring files were not maintained in a standard manner; and
- copies of the Monitoring Reports were not emailed to the SAG for federally funded grant programs.

Currently, the Department is restructuring the contract management and monitoring process. Provider Management Shared Services (PMSS) was established within the Office of Program Accountability to centralize all program contract management and

monitoring functions. Audit staff has communicated the issues noted above to the Office of Program Accountability management.

We recommend OPVS develop and implement procedures that identify their remaining responsibilities for contract management and monitoring when those functions are transferred to PMSS.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Please address inquiries regarding this report to Michael Yu, Audit Director at (850) 717-2468.

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**APPENDIX**  
**Management Response**



**STATE OF FLORIDA  
DEPARTMENT OF JUVENILE JUSTICE**

**INTEROFFICE MEMORANDUM**

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**DATE:** June 27, 2014  
**TO:** Robert A. Munson, Inspector General  
**FROM:** Wanda W. Finnie, Assistant Secretary, Prevention and Victim Services  
**SUBJECT:** Response to Audit No. A-1314DJJ-006, Audit of the Internal Controls of Prevention Operations

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The Office of Prevention and Victim Services (OPVS) submits the following as a compilation of documented responses for each of the sub-categories with identifiable internal programmatic, operational, and procedural error. We present this document as acknowledgement of below-mentioned inactivity, and will appropriately address audit recommendations through a restructuring of OPVS procedures in order to comply with audit objectives. Furthermore, we request that this document accompany the publishing of the final audit report.

**State Advisory Group Responsibilities:**

**Finding:**

1. The audit revealed that OPVS did not have controls in place during statute and staffing changes to ensure SAG duties and responsibilities required by federal laws and bylaws were accomplished.
  - OPVS did not provide SAG with the opportunity to review and comment on the 2013 Title II Grant Application. The grant application provides the annual update to the state plan and was required to be submitted by April 1, 2013;
  - SAG 2012 annual report to the Governor and Legislature has not been issued;
  - OPVS did not provide SAG with the opportunity to review and comment on delinquency prevention grant applications; and
  - OPVS did not provide SAG with the opportunity to review progress and accomplishments for projects funded under the state plan.

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**Rick Scott, Governor**

**Wansley Walters, Secretary**

*The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.*

**Recommendation:**

- We recommend that OPVS develop and implement operational procedures for the administrative assistance required to support SAG duties and responsibilities that are identified in the Federal Acts and SAG bylaws.

**OPVS Response:**

- Prior to these recommendations, and as of April 29, 2014, the OPVS was successful in involving the SAG in the process of making recommendations on the update to the 3-year plan. On April 14<sup>th</sup>, all SAG members received notice of the conference call that was to be held on April 29<sup>th</sup> to provide recommendations for the 2014 Title II Application. Recommendations were accepted.
- As of June 2014, the 2012 and 2013 Annual Report to the Governor was submitted on behalf of the SAG.
- The SAG has drafted a policy statement to the Florida Department of Juvenile Justice (FDJJ) that will afford the State Advisory Group (SAG) an opportunity to review and comment on all juvenile justice and delinquency prevention proposals submitted to the FDJJ. Once approved at the July 2014 SAG meeting, the SAG will have an opportunity to review all juvenile justice and delinquency prevention proposals within 30 days of submission to the FDJJ.
- Although programmatic evaluation reports are routinely provided and discussed at the SAG meetings, a process for a more official discussion will occur within the SAG Grants and Contracts Subcommittee. Prior to these recommendations, as of May 28, 2014, the SAG Grants and Contracts Subcommittee discussed their responsibility in reviewing programmatic reports on behalf of the SAG. The OPVS has drafted a programmatic reporting template to their liking, and will submit for approval at the July 2014 SAG meeting.
- The SAG bylaws have been amended to reflect the above changes, and will be presented at the July 2014 SAG meeting for approval.

**CAB Responsibilities:****Finding:**

- Two out of the 20 CABS did not have a minimum of 16 members; OPVS does not have a copy of any of the CABS' bylaws that were adopted, signed and approved by the Department.
- OPVS does not have current documented procedures for CAB requirement to provide recommendations for grants to be administered by community partners;

- OPVS does not have current documented procedures for CAB requirement to provide recommendations to the Department in the evaluation of prevention and early intervention programs
- CAB bylaws template provided by OPVS does not include CAB responsibilities for innovation zones. Additionally, our discussions with OPVS management indicated that OPVS was not aware of the purpose and requirements for innovation zones

**Recommendation:**

- Develop and implement procedures to ensure CABs' membership is established and CABs' bylaws are adopted, signed and approved by the Department in accordance with Florida statutes;
- Develop and implement procedures to ensure CABs provide recommendations for grants to be administered by community partners and the evaluation of prevention and early intervention programs; and
- Review the requirements for innovation zones identified in Florida statutes and implement procedures to comply with statutes or initiate the process to amend the statutes to eliminate the requirement for innovation zones, if deemed necessary.

**OPVS Response:**

- Because the positions on the boards are voluntary, OPVS is unable to force any individual from participating as a member of the board. We can only provide assistance, support, and make recommendations concerning board membership. All of the CABs adopted OPVS' bylaws in totality, with the exception of a few circuits incorporating amendments into the template. At the time of bylaws' adoption, signature and approval was requested of the CABs; however, only a few templates were ever returned to OPVS. Moving forward, the bylaws will be re-sent to all circuit chairs, incorporating a deadline for acceptance and return of signed bylaws back to OPVS.
- OPVS does not currently have a documented or formalized system for grant recommendations. This area will be addressed during the compilation of an operational manual.
- OPVS does not currently have a documented or formalized system for this process. All future processes and documented requirements will be addressed in the operational manual that will be created.
- CAB bylaws do not include responsibilities for innovation zones because the OPVS does not utilize innovation zones. OPVS was not familiar with this purpose and requirement as

it has not been utilized during current management's tenure. Moving forward, we will request that the innovation zones provision be removed from statute or amended.

### **Policies and Procedures:**

#### **Finding:**

1. The audit revealed that OPVS did not have comprehensive procedures in place to serve as program operating guidance to provide certain levels of assurance that program requirements are met and goals are achieved, and to provide a training tool for OPVS staff in a consistently changing environment.

#### **Recommendation:**

- We recommend that OPVS develop and implement operational procedures to provide guidance to OPVS staff for all areas included in their operations.

#### **OPVS Response:**

- DJJ does not have a policy or requirement that program areas have comprehensive procedures in place to serve as program operating guidance to provide certain levels of assurance.
- Prior to these recommendations, the OPVS implemented a process of developing operating procedures that will identify and capture processes that are essential to the daily functions of the OPVS.

### **Contract Management and Monitoring:**

#### **Finding:**

1. When interviewed, OPVS staff stated that they were unaware of some of the requirements included in the OPVS Grants and Contracts Management and Monitoring Implementation Guidelines, due to staff transitions. Additionally, OPVS staff stated that there was a lack of travel funds to conduct site visits with Prevention Specialist to review their contract management and monitoring files.

#### **Recommendation:**

- We recommend OPVS develop and implement procedures that identify their remaining responsibility for contract managers and monitoring when those functions are transferred to PMSS.

**OPVS Response:**

- The statement that there was a lack of funds is incorrect; a more accurate statement is that, due to travel restrictions, travel is authorized for the contract manager to conduct programmatic reviews pursuant to policy. However, limited funding is available for the contract manager's supervisor to conduct routine review of staff's contract folders.
- We concur with this recommendation; however, under the Shared Services model, all department contract management and monitoring will be the responsibility of the Shared Services unit. Shared Services leadership is in the process of developing an operational procedure manual. OPVS looks forward to working with the Shared Services team to review and provide input on manual. The Prevention Specialists will continue to provide technical assistance to contracted providers as necessary.

Cc: Christy Daly, Deputy Secretary