



FLORIDA
DEPARTMENT OF STATE
OFFICE OF INSPECTOR GENERAL

AUDIT REPORT

NO. 2011-010

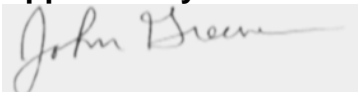
Audit of the Department Ethics Policy

Date: May 3, 2011

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Approved by:



John Greene
Inspector General

May 3, 2011
Date

EXECUTIVE SUMMARY

The purpose of this audit was to evaluate the Florida Department of State (department) implementation of the Office of the Governor's Executive Order Number 11-03, *Ethics and Open Government*. We also evaluated the design and effectiveness of the department's ethics-related objectives, guidance, and activities. Additionally, we conducted a survey to evaluate the department's ethical climate and identified department ethics-related best practices.

To provide an overall assessment of the ethical environment in State of Florida government, the Governor's Chief Inspector General has coordinated with agency inspectors general to conduct an evaluation of each agency's ethical climate. The Chief Inspector General will provide an enterprise roll-up report to the Governor.

Finding 1 – The department complied with the requirements of the Executive Order 11-03 in the following areas:

- Reviewed and updated the department's Ethics Policy within the specified deadline
- Designated a chief Ethics Officer
- Made reasonable efforts to ensure that Executive Management¹ is familiar with ethics, public records and open meeting requirements
- Developed a department's Ethic Policy training webinar that discussed ethics, open meetings and records retention which was offered to staff on two occasions on March 30, 2011 and two occasions on March 31, 2011
- Personnel office developed an Acknowledgement of Attendance Form for each employee to certify that they attended the webinar
- Recorded the webinar and made it available to staff on the intranet that were unable to participate

We recommend the Ethics Officer work to continuously improve the department's ethics program by coordinating with executive management and appropriate offices to continue an annual webinar on ethics, public records and open meeting requirement; maintain record of attendance; and all new hires will receive training upon appointment of position.

An Enterprise Ethical Environment Survey to assess the ethical environment of the department was sent to 499 department employees with 391 responses (approximately 78%) to the survey. The result of the survey indicated that the department has a positive ethical environment. For survey questions that required a positive or negative response regarding the department's ethical environment, 91% responded positively. The responses to the question regarding management handling of unethical conduct could be improved. The department should have an increase in positive responses in this area since employees were required to attend an ethics webinar training.

We also identified the following department's best practices related to ethics that are currently implemented: Department Ethics Policy, Acknowledgement of Receipt of Revised Ethic Policy, New Employee Document/Receipt and Acknowledgement and Ethic Policy webinar.

¹ The Executive Management consists of the Secretary and Assistant Secretaries.

BACKGROUND

In January 2011, Governor Scott issued Executive Order 11-03, directing the immediate adoption and implementation of a revised Code of Ethics by the Office of the Governor. This Code applies to all employees within the Office of the Governor, as well as the secretaries, deputy secretaries, and chiefs of staff of all executive agencies under the Governor's purview. It requires each executive agency secretary to designate an individual at his or her agency to act as the agency's chief ethics officer. This individual will make reasonable efforts to ensure that the employees responsible for adhering to this Code become familiar with relevant ethics, public records and open meeting requirements. Each agency is directed to implement any agency-specific adjustments to the code within 45 days of the date of the order. This Code imposed standards that are beyond the requirements of the "Code of Ethics for Public Officers and Employees" set forth in Chapter 112, Part III, Florida Statutes.

To provide an overall assessment of the ethical environment in State of Florida government, the Governor's Chief Inspector General has coordinated with agency inspectors general to conduct an evaluation of each agency's ethical climate. A multi-agency audit team consisting of over 20 state agencies has undertaken this assignment. Each team will provide a report to their agency head. Based on findings and recommendations in agency reports, the Chief Inspector General will provide an enterprise roll-up report to the Governor.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of this audit was to evaluate the department's implementation of the Office of the Governor's Executive Order Number 11-03, *Ethics and Open Government*. We also evaluated the design and effectiveness of the agency's ethics-related objectives, guidance, and activities in order to identify areas of potential weakness and best practices that could be shared among all agencies. This audit was conducted in conformance with *International Standards for the Professional Practice of Internal Auditing*, Standard 2110.A1, "The internal audit activity must evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities," published by the Institute of Internal Auditors.

The scope of this audit was to assess department actions to design, communicate, monitor, promote and enforce ethical standards and policies applicable to its employees. The period reviewed was from January 2011 through April 2011.

The methodology included:

- Interviewing appropriate department personnel
- Collecting and evaluating relevant documentation
- Conducting a department-wide survey and analyzing the results
- Collecting best practices of the department's ethics program

AUDIT AUTHORITY

Section 20.055, Florida Statutes, requires that the Office of Inspector General shall “conduct, supervise, or coordinate other activities carried out or financed by the state agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.”

The audit was conducted by Ary L. Miller, Management Review Specialist under the supervision of John L. Greene, Inspector General.

FINDINGS AND RECOMMENDATIONS

Audit Finding #1: The department complied with the requirements of the Executive Order 11-03

Objective:

Determine the department’s compliance with the Office of the Governor’s Executive Order Number 11-03, *Ethics and Open Government*.

Criteria:

The Executive Order (effective as of January 4, 2011) requires each executive agency secretary to designate an individual at his or her agency to act as the agency’s chief ethics officer, who will make reasonable efforts to ensure that the employees responsible for adhering to the revised Executive Office of the Governor’s Code of Ethics (Code) become familiar with relevant ethics, public records and open meeting requirements.

The Executive Order further requires each executive agency secretary to review and evaluate the current policies adopted at his or her agency in light of the revised Code, with a view to using the revised Code as a standard for his or her agency, adjusted for the program requirements and variables unique to his or her agency. Each agency is directed to implement any agency-specific adjustments to the code within 45 days of the date of the order.

Condition Revealed during the audit:

Our office determined that the Secretary of the department designated the General Counsel as the department’s Chief Ethics Officer. The General Counsel will act as the department’s contact person and provide legal information and interpretation of ethical issues and ensures that employees become familiar with relevant ethics, public records and open meetings requirements.

Our office determined that the Secretary of the department designated the General Counsel as the department’s Public Records/Open Meetings Contact Person. This person will provide information, interpretation and guidance on legal issues related to public records and government in the sunshine and facilitates public access to records and resolve any and all disputes as to requirements of the Government in the Sunshine Act.

Our office has determined that the department revised policy was adopted on February 18, 2011, within 45 days of the date of the Executive Order. The newly adopted Ethics Policy clearly defines ethics, establishes standards of ethical conduct for the department employees, and is in compliance with the Governor’s Code of Ethics.

Our office determined that the department developed an Ethic's Policy training webinar that discussed ethics, open meetings and records retention which was offered to staff on two occasions on March 30, 2011 and two occasions on March 31, 2011.

Our office determined that the personnel office developed an Acknowledgement of Attendance Form for each employee to certify that they attended the webinar and the office recorded the webinar and made it available to staff on the intranet that were unable to participate.

Conclusion:

The department complied with the requirements of Executive Order 11-03.

Recommendation:

We recommend the Ethics Officer work to continuously improve the department's ethics program by coordinating with executive management and appropriate offices to continue an annual webinar on ethics, public records and open meeting requirement; maintain record of attendance; and all new hires will receive training upon appointment of position.

Ethics Policy Considerations:

While not required by the Governor's Code of Ethics, the department's Ethics Officer should consider amending the department's Ethics Policy to include a:

- Process for oversight and compliance for ethical behavior (procedures that detail the investigative process and provide enforcement policies over unethical behavior)
- Process for reporting ethics violations (procedures for department employees to report possible violations of ethics for review or investigation)
- Mandate for reporting ethics violations by department employees

ETHICAL CLIMATE SURVEY

The multi-agency audit team developed an Enterprise Ethical Environment Survey to assess the ethical environment of each participating agency and the enterprise. On March 8, 2011, the department Secretary sent all individuals with a valid department email address a 13-question survey. The survey was closed to responses on Friday, March 11, 2011.

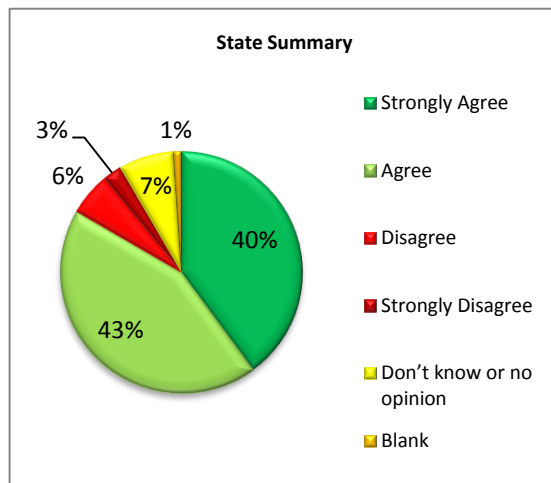
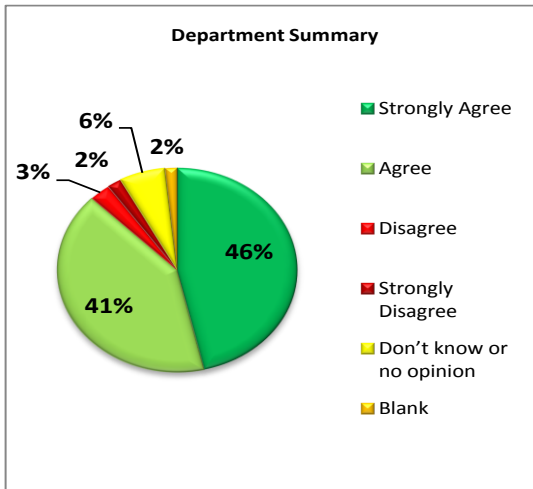
The survey was sent out to 499 employees of the department. There were 391 responses for a 78.36% response rate. The survey questions and detailed results are provided on page seven. All survey results are graphically represented on page eight.

The following is a summary of the results of the Department of State:

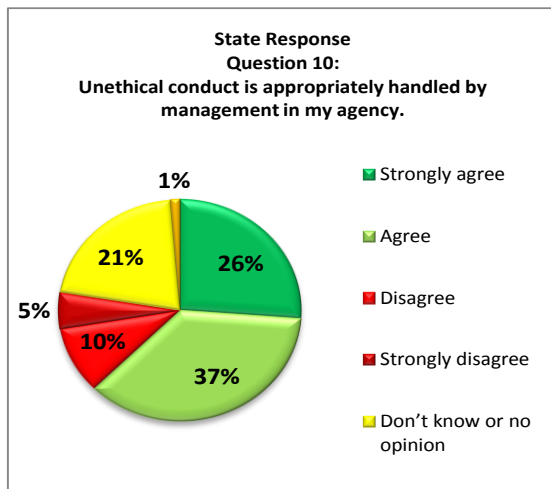
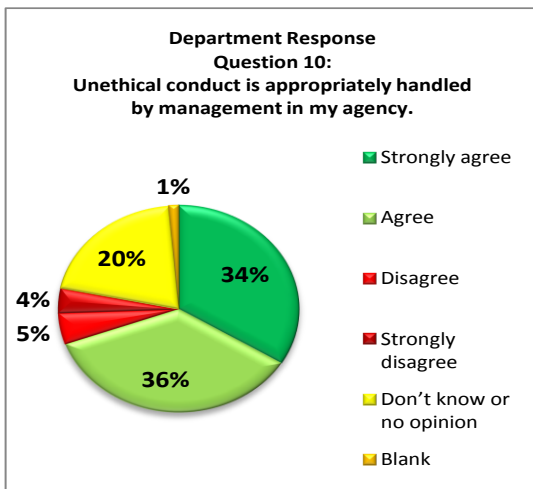
- 87% agreed or strongly agreed that the department's senior management models and promotes ethical behavior
- 91% agreed or strongly agreed that their supervisors model and promote ethical behavior
- 90% agreed or strongly agreed that their coworkers model and promote ethical behavior
- 89% stated that they know how to report suspected unethical behavior and fraud within the department
- 95% stated that they have received ethics training provided by the department

- 92% agreed or strongly agreed that they have been adequately trained by the department to know what constitutes ethical and unethical behavior
- 89% agreed or strongly agreed that the department’s ethical guidance, including code of conduct, policy and/or other guidelines, is clear and comprehensive
- 92% agreed or strongly agreed that the department has made clear their ethical responsibilities
- 70% agreed or strongly agreed that unethical conduct is appropriately handled by management in the department

Based on survey responses, the department has a positive ethical environment. For survey questions that required a positive or negative response regarding the department’s ethical environment, 87% responded positively. As indicated by the following charts, the department’s results are more positive than the state (83%).



Survey question ten had a response which highlighted a department opportunity for improvement. Question 10 asked about management handling of unethical conduct. Seventy percent (70%) of Department respondents indicated that department management appropriately handled unethical conduct. The department’s responses were more positive than the state-wide average of 63%. Charts depicting these results are provided below.



The department should have an increase in positive responses to this question since employees were recently required to attend a webinar on ethics, open meetings and records retention.

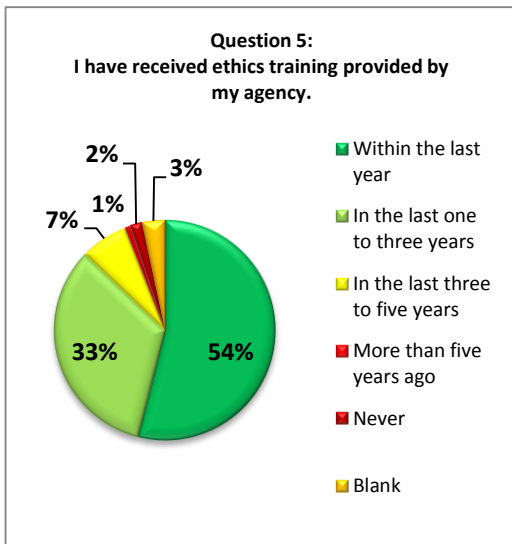
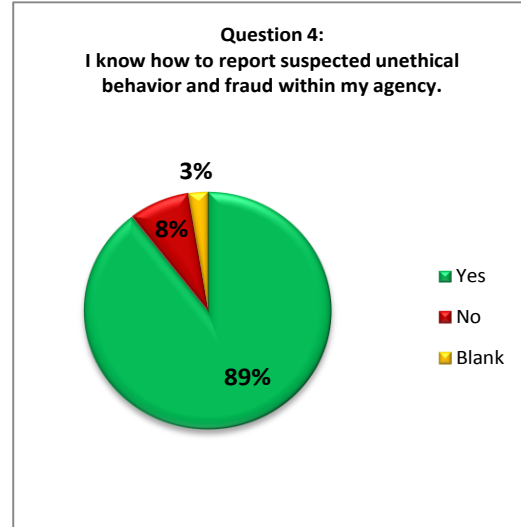
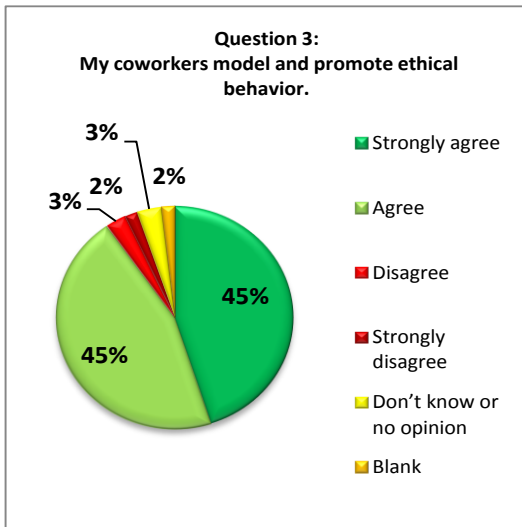
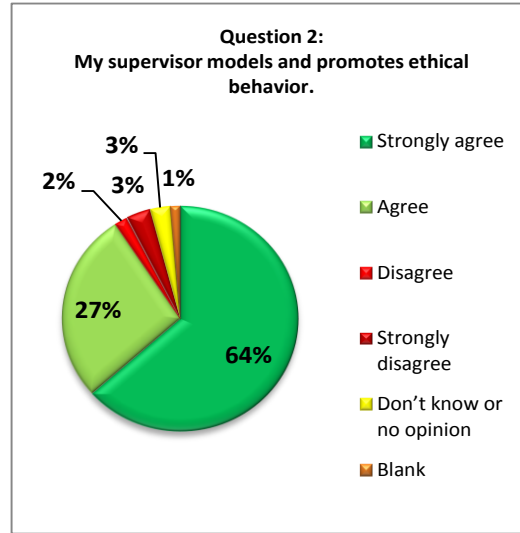
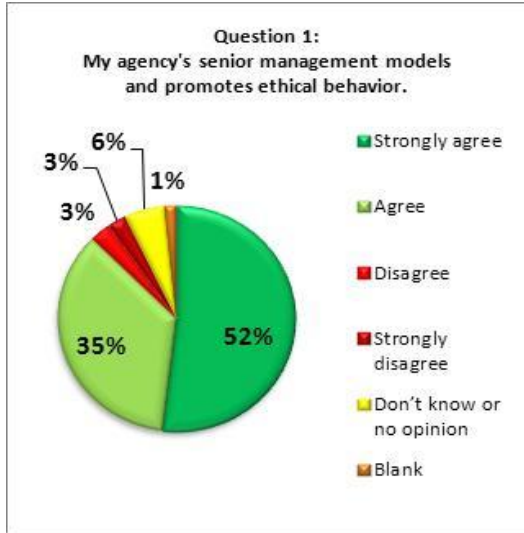
The survey also provided the employees an opportunity to offer their comments. Forty-one employees provided their comments.

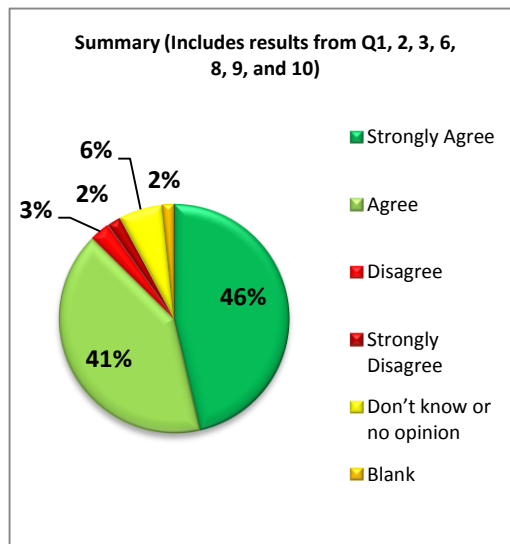
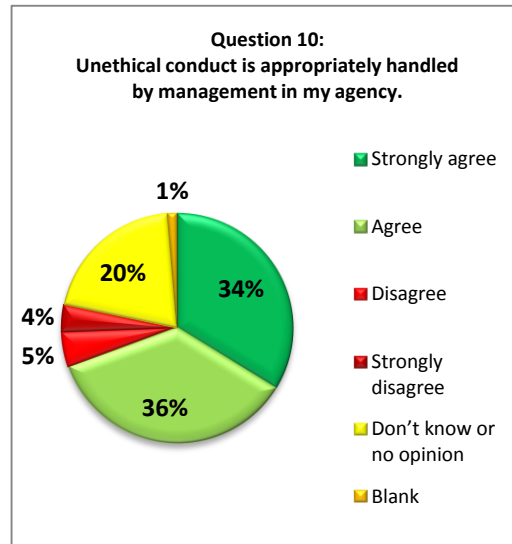
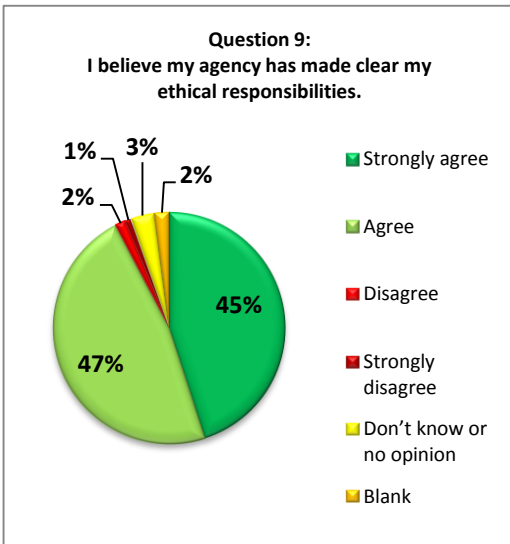
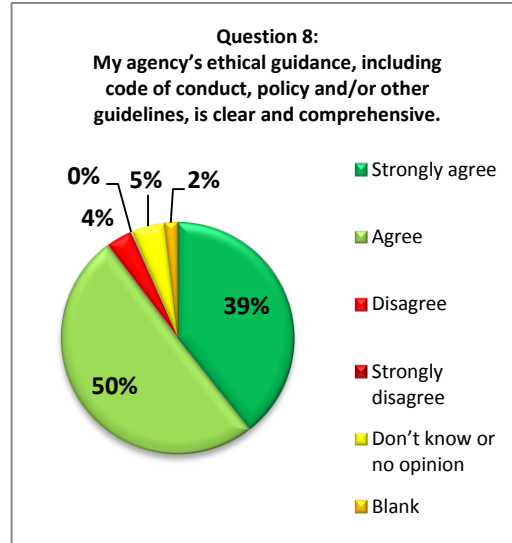
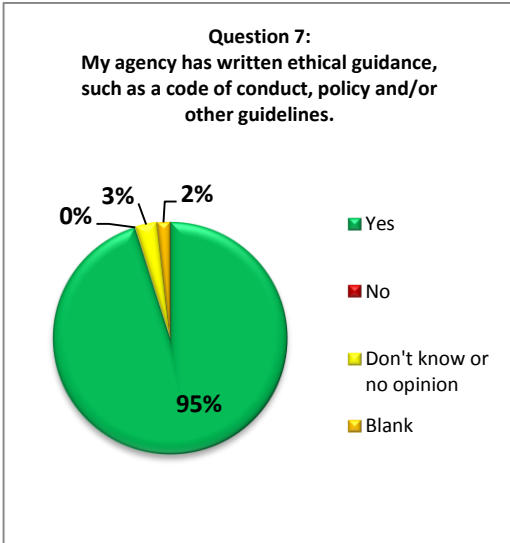
The department's ethics survey questions and responses are detailed below:

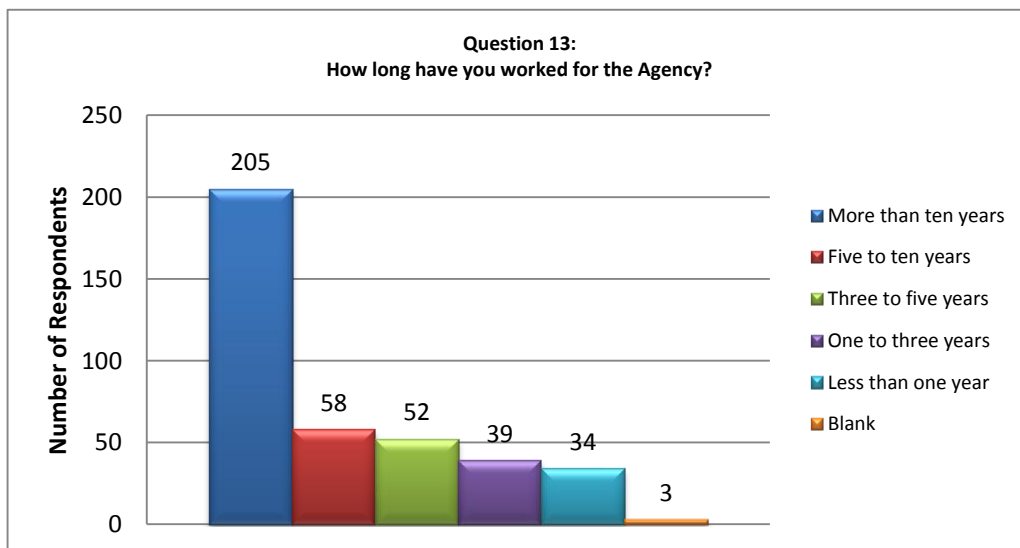
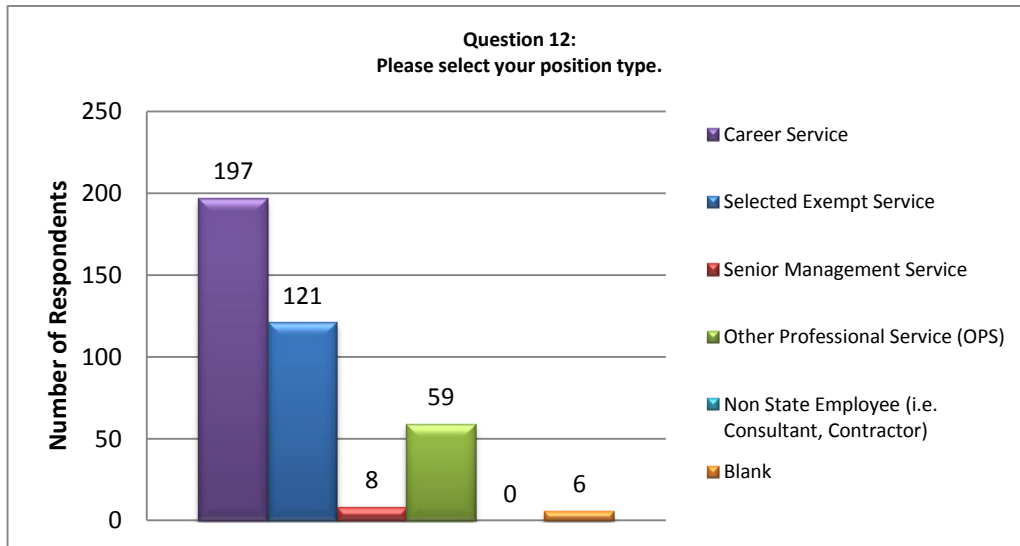
Question Number	Survey Question	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know or no opinion	Blank
1	My agency's senior management models and promotes ethical behavior.	51.92%	35.55%	2.81%	2.56%	5.63%	1.53%
2	My supervisor models and promotes ethical behavior.	63.43%	27.37%	1.79%	3.32%	2.81%	1.28%
3	My coworkers model and promote ethical behavior.	45.01%	45.27%	2.81%	1.79%	3.32%	1.79%
		Yes	No	Blank			
4	I know how to report suspected unethical behavior and fraud within my agency.	89.51%	7.93%	2.56%			
		Within the last year	In the last one to three years	In the last three to five years	More than five years ago	Never	Blank
5	I have received ethics training provided by my agency (choose the appropriate time period).	53.96%	33.25%	6.91%	0.77%	1.79%	3.32%
		Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know or no opinion	Blank
6	I have been adequately trained by my agency to know what constitutes ethical and unethical behavior.	46.04%	45.78%	2.30%	1.02%	3.07%	1.79%
		Yes	No	Don't know or no opinion	Blank		
7	My agency has written ethical guidance, such as a code of conduct, policy and/or other guidelines.	95.14%	0.00%	3.07%	1.79%		
		Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know or no opinion	Blank
8	My agency's ethical guidance, including code of conduct, policy and/or other guidelines, is clear and comprehensive.	39.39%	50.38%	3.58%	0.26%	4.60%	1.79%
9	I believe my agency has made clear my ethical responsibilities.	45.01%	47.31%	1.53%	0.77%	3.32%	2.05%
10	Unethical conduct is appropriately handled by management in my agency.	33.76%	35.81%	4.86%	3.84%	20.46%	1.28%
		Career Service	Selected Exempt Service	Senior Management Service	Other Professional Service (OPS)	Non State Employee (i.e. Consultant, Contractor)	Blank
12	Please select your position type:	50.38%	30.95%	2.05%	15.09%	0.00%	1.53%
		Less than one year	One to three years	Three to five years	Five to ten years	More than ten years	Blank
13	How long have you worked for the Agency:	8.70%	9.97%	13.30%	14.83%	52.43%	0.77%

Note: Question 11 was for comments.

The department's ethics survey results graphically represented below:







MANAGEMENT RESPONSE

From: Browning, Kurt S.

Sent: Friday, April 29, 2011 3:26 PM

To: Greene, John L.

Cc: Kennedy, Jennifer L.; Boynton, John; Cate, Chris; Tepper, Dave; Reddick, Ernest L.; Miller, Ary

Subject: RE: Audit of the Department of State Ethics Policy- Audit Report No. 2011-010

John...

I concur with the recommendations in the Department of State Ethics Policy Audit Report 2011-010.

ksb

Please take a few minutes to provide feedback on the quality of service you received from our staff. The Florida Department of State values your feedback as a customer. Kurt Browning, Florida Secretary of State, is committed to continuously assessing and improving the level and quality of services provided to you. Simply click on the link to the "DOS Customer Satisfaction Survey." Thank you in advance for your participation.

[DOS Customer Satisfaction Survey](#)