



STATE OF FLORIDA
DEPARTMENT OF CITRUS

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CHAIRMAN
FLORIDA CITRUS COMMISSION

November 17, 2009

Mr. Ken Keck, Executive Director
Florida Department of Citrus
1115 E. Memorial Blvd.
Lakeland, FL 33801

Dear Mr. Keck:

In accordance with Section 20.055(7), Florida Statutes, I am submitting the Office of Inspector General's FY 2008-09 Annual Report which summarizes accountability activities during the prior fiscal year.

I look forward to serving you in the future as we move forward into the current fiscal year.

Sincerely,

A handwritten signature in black ink that reads "Billy Weathers".

Billy Weathers
Inspector General

c: Melinda Miguel, Chief Inspector General

INTRODUCTION

The responsibility of the Office of the Inspector General (OIG) is to conduct audits, reviews, and investigations relating to the programs and operations of the Department of Citrus. The office is charged with the promotion of economy and efficiency and the administration of other activities designed to prevent fraud and abuse within the Department. Section 20.055, Florida Statutes, defines the duties and responsibilities of agency inspectors general.

The statute requires that each inspector general shall submit to the department head an annual report, not later than September 30 of each year, summarizing its activities during the preceding state fiscal year. This report includes, but is not limited to:

- A description of activities relating to the development, assessment, and validation of performance measures.
- A description of significant abuses and deficiencies relating to the administration of programs and operations of the agency disclosed by investigations, audits, reviews, or other activities during the reporting period.
- A description of recommendations for corrective action made by the Inspector General during the reporting period with respect to significant problems, abuses, or deficiencies identified.
- The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed.
- A summary of each audit and investigation completed during the reporting period.

This document is presented to the Executive Director in accordance with the statutory requirements and to describe how the OIG accomplishes its mission as defined by Florida law.

INTERNAL AUDIT ACTIVITIES

The OIG completed audits of five contract agencies during FY 2008-09:

1. Golin/Harris – US domestic activity for public relations for FY 2007-08
2. The Richards Group – US and Canada advertising activity for FY 2007-08
3. The Food Group – US retail promotions for FY 2007-08
4. Try Foods, Inc. – US retail store promotions for FY 2007-08
5. Golin/Harris International – Canada public relations activities for FY 2006-07 and 2007-08

A total of four recommendations were made and immediately implemented. None of the recommendations were related to significant deficiencies and were administrative in nature.

The OIG completed audits, reviews, or projects in the following areas during FY 2008-09:

1. Tangible personal property inventory – this is an annual requirement of the state. The project was completed and all assets were accounted for.
2. State Purchasing Card Program – this sensitive area was audited for all transaction activity for FY 2007-08. Controls were found to be fully functional and one administrative recommendation was made and immediately implemented.

3. Vendor verification – this audit was conducted for FY 2008-09 and verified compliance with policies over the selection and use of small vendors. Adequate controls were found to be in place and one administrative recommendation was made and immediately implemented.
4. Employee annual leave records – this activity was reviewed for FY 2008-09 and time entries were found to be accurately input and approved on a timely basis. One administrative recommendation was made and immediately implemented.
5. Information technology – this vital function was audited for FY 2007-08 and controls were found to be adequate and effective but not documented in sufficient detail. This resulted in four recommendations which were implemented over a short time period.
6. Foreign currency bid/purchase process – this annual activity was audited and found to be working effectively.
7. New Varieties Development & Management Corp. – this nonprofit entity’s activities were audited for FY 2006-07 and 2007-08 and adequate controls were found to be in place and working.
8. Disease research funding – an audit of this activity was started in FY 2008-09 and will be completed and reported on in FY 2009-10.

EXTERNAL AUDIT ACTIVITY

The Auditor General conducted a Quality Assessment Review of the Office of Inspector General’s internal audit activity at the Department of Citrus for the period FY 2007-08. The report was issued in May 2009. As a result of this review, the OIG implemented the following items:

- A new charter was developed and approved by the Executive Director and the Florida Citrus Commission Chairman.
- An annual independence statement for FY 2008-09 was completed and submitted to the Executive Director.
- A risk assessment model was designed and used to develop the FY 2009-10 audit plan.
- Written reports were revised to clearly indicate audit limitations and which professional standards were followed.

OTHER COMMENTS

- All recommendations made during FY 2008-09 were administrative in nature and implemented on a timely basis.
- All recommendations from previous fiscal years have been fully implemented.
- The Department’s performance measures are currently being audited in FY 2009-10.
- No investigations were conducted during FY 2008-09.