

Department of Environmental Protection

Office of Inspector General



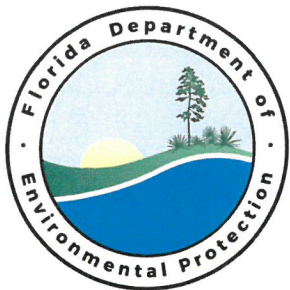
ANNUAL REPORT – FISCAL YEAR 2014-2015



Candace M. Fuller
Inspector General



Jonathan P. Steverson
Secretary



Florida Department of Environmental Protection

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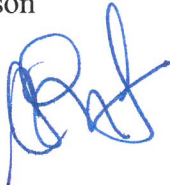
Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Jonathan P. Steverson
Secretary

September 28, 2015

TO: Jonathan P. Steverson
Secretary

FROM: Candace M. Fuller
Inspector General 

SUBJECT: Office of Inspector General's Annual Report for FY 2014-2015

I am pleased to present the Annual Report for the Office of Inspector General for Fiscal Year 2014-2015. This report was prepared in accordance with section 20.055(8), Florida Statutes, and summarizes the activities performed based on its statutory responsibilities, as well as the major accomplishments for this office.

On behalf of the Office of Inspector General staff, I would like to thank you for your continued support, as well as all Department Managers and staff for their assistance and cooperation throughout the year.

The Office of Inspector General remains committed to promoting efficiency, accountability and integrity and in our efforts to detect and prevent fraud, waste, abuse, and mismanagement in Department programs.

CF/mr

cc: Melinda Miguel
Chief Inspector General

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EXECUTIVE SUMMARY

AGENCY BACKGROUND

The Florida Department of Environmental Protection (DEP) is one of the more diverse agencies in state government. More than 3,600 DEP employees serve the people of Florida. In addition to protecting the State’s air and water quality and ensuring proper waste management, DEP is responsible for managing State Parks, recreational trails, and other areas for outdoor activities.

PURPOSE OF ANNUAL REPORT

This report, required by section 20.055 (8) Florida Statutes, (F.S.) summarizes the activities and accomplishments of the DEP, Office of Inspector General (OIG), during Fiscal Year (FY) 2014 - 2015. This report includes, but is not limited to, the following:

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

MISSION STATEMENT AND OBJECTIVES

The mission of the OIG is to promote integrity, accountability, and efficiency in DEP. The OIG conducts independent and objective audits, investigations, and reviews of agency issues and programs in order to assist DEP in protecting, conserving, and managing Florida’s environmental and natural resources.

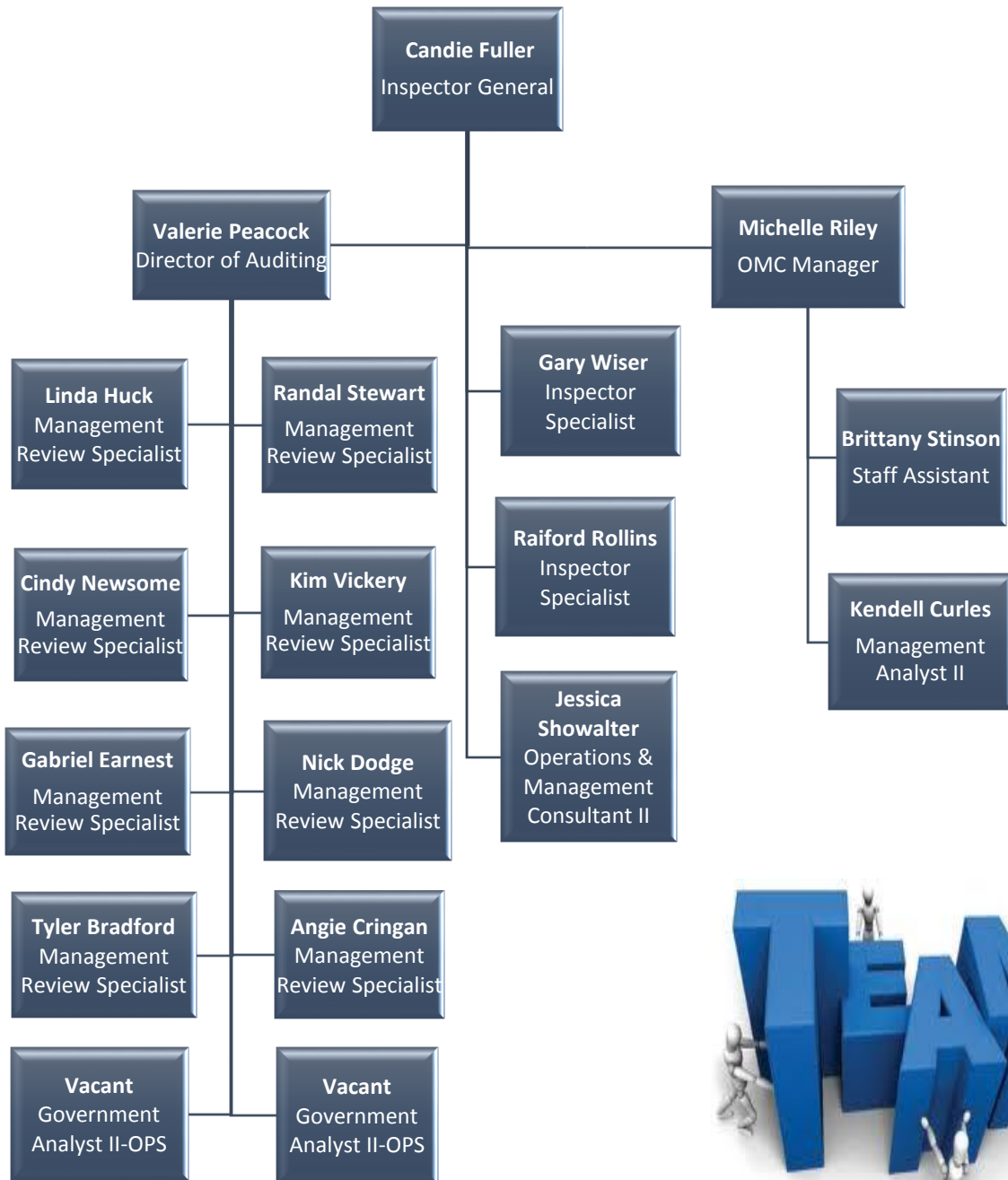
Investigations, reviews, and audits are informative, logical, supported, and timely regarding issues and matters of importance to DEP.

The duties and responsibilities of the Inspector General include:

- Advise in the development of performance measures, standards, and procedures for evaluating agency programs, assess the reliability and validity of performance measures, and make recommendations for improvement.
- Review the actions taken by the agency to improve program performance and meet program standards, while making recommendations for improvement, if necessary.
- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to DEP’s operations.
- Conduct, supervise, and coordinate other activities to promote economy and efficiency and activities designed to prevent and detect fraud and abuse in DEP.
- Keep the Secretary and Chief Inspector General (CIG) informed concerning fraud, waste, abuse and deficiencies in programs and operations, recommend corrective action, and provide progress reports.
- Ensure effective coordination and cooperation between the Auditor General, federal auditors and other government bodies, with a view toward avoiding duplication.
- Review agency rules and make recommendations relating to their impact.
- Ensure an appropriate balance is maintained between audits, investigations, and other accountability activities.
- Comply with the General Principles and Standards for Offices of Inspector General, as published and revised by the Association of Inspectors General.

ORGANIZATIONAL CHART

As of June 30, 2015, the OIG consists of 18 budgeted positions. This includes 16 full-time employees (FTE) and 2 Other Personal Services (OPS) positions. The distribution of the OIG positions are described in the below chart:



PROFESSIONAL TRAINING



During 2014-2015, staff received the benefit from trainings which included current audit issues, ethics, fraud detection, technical security, contract management and monitoring, and investigative techniques. The opportunities were afforded through trainings sponsored by the Institute of Internal Auditors, National Association of Inspectors General, Association of Certified Fraud Examiners, and various state agencies, including Florida Department of Financial Services.

PROFESSIONAL AFFILIATIONS

Staff within the OIG brings a diversity of background experience and expertise to the department. Staff has experience in auditing, accounting, program evaluation and monitoring, budgeting, personnel management, investigations, grant administration, and local and state agencies' activities. The OIG affiliates with the following professional organizations:

- Association of Certified Fraud Examiners (ACFE)
- Institute of Internal Auditors (IIA)
- National Association of Inspectors General (AIG)
- Florida Chapter of the Association of Inspectors General
- Association of Government Accountants (AGA)



Internal Audits



INTERNAL AUDIT SECTION



The Internal Audit Section performs independent audits, reviews, and examinations to identify, report, and recommend corrective action for control deficiencies, or non-compliance with laws, policies, and procedures. Internal controls are reviewed and evaluated as necessary to ensure the fiscal accountability of the Department.

The Director of Auditing coordinates the development of an Annual Audit Plan, which identifies the areas within DEP scheduled for review, using risk assessment criteria. These include Management recommendations, audit staff suggestions, results and frequency of prior audits, quality of data systems, and susceptibility to fraud. Both a long-range plan and a one-year plan are included in the Annual Audit Plan.

In the development of the Annual Audit Plan, the Audit Section prepares the Risk Assessment to identify issues of concern to Management, risks pertaining to fraud and misuse of funds, and other governance issues including information technology, ethical climate, and proper financial and performance reporting. The FY 2015-2016 Audit Plan includes projects pertaining to Park operations, monitoring of DEP contracts and grants, petroleum tank's contracts and expenditures, regulatory enforcement issues, Water Policy and Ecosystems Restoration programs, and projects pertaining to Department wide issues such as delegation of signatures, and administrative and information technology functions. The Annual Audit Plan also includes participation in multi-agency enterprise-wide audit projects. DEP's Inspector General and Secretary approved the FY 2015-2016 Audit Plan.

Audits are conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Where appropriate, the Audit Section adheres to the standards developed by the Comptroller General of the United States and codified in the *Government Auditing Standards* or “yellow book.” Financial-related audits may be subject to the standards promulgated by the American Institute of Certified Public Accountants, which is referred to as *Generally Accepted Auditing Procedures and Generally Accepted Auditing Standards*. Audit reports issued by the Audit Section contain a statement that the audit was conducted pursuant to the appropriate standards. These reports are prepared and distributed to Senior Management, other applicable Departmental Management, the Auditor General and the Chief Inspector General.

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The Audit Section provides a variety of services in addition to traditional audits. These include, but are not limited to, investigative assistance, reviews, research, and performance measure assessments. Services provided are tracked with a project number and culminate in a written product, which is disseminated to the program area and other appropriate parties.

In addition, the Audit Section assists the agency by coordinating audits and reviews of reports completed by the Office of Program Policy Analysis and Government Accountability, the Auditor General, and other oversight agencies. The Audit Section reports on the status of the recommendations included in these reports, as required by section 20.055, F.S. As the agency’s representative on audit-related issues, the Audit Section reviews and distributes the results of audits pertaining to the Federal and Florida Single Audit Acts, and assists the Division of Administrative Services with preparation of Compliance Supplements required under the Florida Single Audit Act.

FEDERAL AND STATE SINGLE AUDIT ACT RESPONSIBILITIES

Section 215.97, F.S., states, *each non-state entity that expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year of such non-state entity shall be required to have a state single audit, or a project-specific audit, for such fiscal year in accordance with the requirements of this section.* The Catalog of State Financial Assistance includes for each listed state project: the responsible state agency, standard state project number identifier, official title, legal authorization, and description of the state project, including objectives, restrictions, application, and awarding procedures, and other relevant information determined necessary.

DEP provides funding and resources from State and Federal funding sources to Florida counties, cities, towns, districts, and many other non-profit organizations within the State. Because of DEP’s relationship with these entities, the OIG provided technical assistance to support and improve the operations of those entities.

Federal pass-through grants administered by DEP are subject to Office of Management and Budget (OMB) Circular A-133 requirements, provided the entity has expended \$500,000 in federal financial assistance in its fiscal year. Each year, the OIG reviews audit reports submitted by entities that meet the requirements listed in Florida Statutes, as well as the audit requirements listed in the OMB Circular A-133. During 2014-2015, our office reviewed 256 audit reports.

AUDIT WORK PLANS AND RISK ASSESSMENTS

The OIG performs a full risk assessment every year for DEP. This assessment is developed based on program responsibilities, key areas of risk, budgets, management of grants and contracts, past audit activity, staffing levels, and internal control structure. Discussions are held with DEP leadership team members, Division Directors, and other Management staff to identify topics of importance and concern to Managers. The risk assessment evaluates a number of factors to equitably identify programs and functions in DEP, and the associated risks of operating those programs and functions.

Factors considered in the evaluation include:

- value of the financial resources applicable to the program or function
- dollar amount of program expenditures
- statutes, rules, internal controls, procedures, and monitoring tools applicable to the program or function; concerns of Management; impact on the public safety, health, and welfare
- complexity and/or volume of activity in the program or function
- previous audits performed

Programs and functions are scored based upon these factors, then reviewed further to determine the most efficient schedule of auditing the selected program and functions within the resources available.

PRIOR YEAR AUDIT FOLLOW UP

The OIG monitored the implementation of prior audit findings six months after completion, and on a biannual basis. Of the 47 projects reported in last year’s annual report, 28 had recommendations that were fully implemented and 16 had no recommendations. Three projects had recommendations in which corrective action was being monitored as of the end of FY 2014-2015. The projects are listed in the table below.

Project	Recommendation	Status
A-1314DEP-004 Review of Complimentary Campsites	We recommended the Division establish a system of resident volunteer hour reporting that ensures Parks and volunteers are meeting and documenting the weekly 20-hour requirement per site. We further recommended the Division review Parks’ human resource decisions regarding resident volunteers compared to specific duties and activities needed to satisfy the Park’s human resource needs.	Corrective Action is being monitored
A-1314DEP-013 Audit of Leon County Compliance Contract GC681	We recommended the District develop a method for identifying when a priority facility was paid/inspected to: (1) reduce the possibility of paying for the same facility more than one time during a task assignment; (2) ensure inspection payments for priority facilities occur for the related inspection period; and, (3) assist in the identification of facilities where required inspections are needed to be performed. We also recommended the Department Contract Manager should further refine the task assignment priority site inspection listing and separate the tasked priority inspection facilities from the remainder of the population on the task assignment exhibit.	Corrective Action is being monitored
A-1314DEP-025 Review of Operator Certification Program	We recommended the Department continue to request budget authority from the Legislature to use funds in the Operator Certification Program Fund Balance, created with fees paid by operators. Additionally since budget authority is provided annually, it is recommended that a moratorium or waiver of fees be evaluated annually.	Corrective Action is being monitored

PERFORMANCE MEASURES

In accordance with section 20.055(2) (b), F.S., the Office of Inspector General has assessed the performance measures for inclusion in the FY 2015-2016 Long Range Program Plan. Performance measures were evaluated by staff using an assessment questionnaire focusing on the processes, timeframes, systems, and documentation utilized by the respective divisions to accumulate the statistics related to the measures. Of the twenty-one performance measures included in the 2014-2015 Long Range Program Plan, eleven were measures that had previously been reviewed and determined to be valid and reliable. The remaining ten were new measures that were assessed during this year’s review. During our review, it was determined that two of the new measures are being proposed for deletion in the 2015-2016 Long Range Program Plan and; therefore, only eight measures were assessed during this review.

All eight performance measures appear to be based on information that is valid and reliable. However, for one of the performance measures, the mechanism for reporting the current data is not reliable. Additionally, in another performance measure, the program tracks a specific data source that is different from the measure description as stated. These two concerns do not invalidate the measure or cause the data sources to be unreliable. However, we have brought the concerns to the attention of Program Management so that steps can be taken to ensure both an accurate reporting mechanism and an alignment of data with measure description.

External Audits and Reviews



EXTERNAL AUDITS AND REVIEWS

2014-12: The Office of Program Policy Analysis and Government Accountability (OPPAGA) examined the Department’s process for selecting and prioritizing local beach erosion control and inlet management projects. The review considered the current statutory criteria and related administrative rules, the funding request application process, information requirements, timeline, and the department’s use of each ranking criteria in establishing the annual priority order for beach management and restoration projects

Findings: (1) Stakeholders identified several concerns about the program’s statutory criteria and administrative rules. Stakeholders also questioned the eligibility criteria concerning the protection for endangered and threatened species. In addition, stakeholders objected to the inclusion of State Park projects in the Beach Management Funding process. Finally, stakeholders expressed concern the department has returned funding applications without scoring or ranking projects.

(2) Recent rule and process changes may address some stakeholder concerns, but other issues persist. Stakeholders continue to express concern regarding the Beach Management Funding Assistance application process, information requirements, and timeline. Despite the recent rule changes, stakeholders characterized the application process as too complex, too time consuming, and lacking in transparency. Survey results highlighted differences in stakeholder opinions regarding the application process, information requirements, and timeline.

(3) Stakeholder concerns about scoring and prioritization persist; analysis revealed project scoring relies on a limited number of significant criteria. The current scoring process does not account for statewide differences in beach conditions. A limited number of criteria contributed to over half the points awarded to projects. According to stakeholders, the current system is biased toward large projects and does not prioritize the most important projects. Despite recent changes to improve scoring consistency and process transparency, concerns persist about the Beach Management Funding Assistance Program regarding projects that are repeatedly unfunded, specific funding criteria, and issues related to storm damage. To address these concerns, there are a number of options the Legislature could consider.

Options: (1) Direct DEP to establish separate project lists for prioritizing federal-state funded projects and state-local funded projects. Separate funding lists could address the perceived bias of the current system, which stakeholders suggest favors federally funded projects. Further, based on DEP’s project scoring and priority, the Legislature could establish a funding threshold for the two lists.

(2) Modify or eliminate application criteria. To focus the scoring process on criteria that more directly address the value of projects, the Legislature could consider options to: increase flexibility related to the program’s administrative criteria, revise recreational and economic benefits criteria and environmental criteria, and eliminate criteria for which points are typically not awarded.

(3) Establish a process to account for storm damage occurring during the application cycle. In response to 2013 legislative proviso language, DEP recommended a process whereby the department would provide a supplemental project list for beach areas of the state hit by recent storm damage. As an alternative to a supplemental project list, the Legislature could consider providing statutory authority for DEP to receive revised or amended project applications in cases of storm damage occurring after the beginning of the application cycle.

Action Taken: The Department agreed to implement any options designated by the Legislature which would provide a more efficient and relevant annual ranking process for beach and inlet management projects.

Internal Audit Report Summaries



FISCAL YEAR 2014-2015 AUDIT REPORT SUMMARIES

A-1314DEP-037: Audit of John U. Lloyd State Park

The scope of this audit included select activities of the John U. Lloyd State Park (Park) during the period July 1, 2013, through December 31, 2013.

Results of Audit: (1) Voids and refunds are not properly or consistently documented, which exposes the Park revenues to the risk of loss or theft.

(2) Based on observations and discussions with staff, entry for permit-holders is not always entered into the cash register, thereby generating a receipt for Park visitors with permit entry. Inaccurate attendance figures could result in a misrepresentation of Park usage and actual visitation.

Recommendation: (1) We recommended the Division of Recreation and Parks (Division) require the Park to consistently document an explanation for each voided transaction. For refunds, signatures and required information should be obtained from visitors, as required in chapter 5 of the Operations Manual. Further, we recommended the Division establish consistent procedures for transaction voids and include these procedures in the Operations Manual.

(2) We recommended the Division evaluate the attendance method currently in place at the Park to ensure visitor attendance counts reflect actual and estimated visitor usage of the Park, rather than the inclusion of commuter traffic. We also recommended that entry for permit holders be entered in the register to account for Park attendance, as required in the Operations Manual, Fiscal Procedures.

Action Taken: (1) The Division agreed with this recommendation and has addressed the refund issue. On June 2, 2014, the Park Manager conducted the monthly personnel meeting where following the proper refund procedure was stressed and on the same day, all Park staff was sent an email copy of the Operations Manual, chapter 5.14. All future voided transactions will be documented and clearly explained and all refunds will comply with chapter 5 of the Operations Manual. The Division approved updates to numerous fiscal procedures, including transaction voids, in chapter 5 of the Operations Manual on February 26, 2015. These updates were posted to the online Operations Manual and were communicated to all Parks on March 2, 2015.

(2) The Division agreed with this recommendation. The Division conducted a thorough review of the attendance reporting process for all State Parks. On November 3, 2014, the Division approved and distributed an updated Attendance Reporting section of the Operations Manual, chapter 4 section 22. The new Attendance Reporting section is designed to provide consistent and accurate Park attendance information. Among other improvements in the updated section, each Park is required to develop and have an approved Attendance Reporting Plan. The Attendance Reporting Plan was designed with influence from the National Park Service model. The Division approved updates on February 26, 2015 to numerous fiscal procedures, including the procedure for documenting entry of permit holders to account for Park attendance, in chapter 5 of the Operations Manual.

A-1314DEP-039: Review of Specialty Equipment Management Practices

The scope of this review included specialty equipment located in the Division of State Lands’ Bureau of Survey and Mapping and the Division of Water Resource Management’s Beach Field Services Program. More specifically, the scope included tracking systems, inventory, maintenance logs, and purchase documents provided by the Bureau and the Program.

Results of Review: (1) According to interviews with staff from the Division of State Lands and the Division of Water Resource Management, staff refuels smaller equipment, including All Terrain Vehicles, using the fuel cards assigned exclusively to a specific vehicle rather than using the miscellaneous fuel card that has been assigned to the Division of State Lands or the Division of Water Resource Management. By not using a miscellaneous fuel card to fuel smaller equipment, usage cannot be tracked and vehicle fuel cards do not accurately account for fuel used by the assigned vehicle.

(2) The Division of State Lands and the Division of Water Resource Management have proceeded with consolidation efforts. As part of this process, staff has indicated that many pieces of equipment will be surplus or transferred. Of the 334 items assigned to the Division of State Lands field crew, staff identified 23% (76) of the equipment items for surplus or transfer. Of the 53 items assigned to the Division of Water Resource Management field crew, staff identified 25% (13) of the equipment items for surplus or transfer. The average age of the Division of State Lands field crew’s equipment was 9.08 years and the average age of the Division of Water Resource Management field crew’s equipment was 13.05 years. The decision to surplus or transfer equipment was based on staff’s discretion and determination that equipment is no longer needed. In addition, staff indicated that many items are seldom used, but are still needed by the field crews to perform their functions.

(3) The average odometer reading of the Division of State Lands field crew’s trucks is 187,951 miles, with the average age of the trucks being 10.54 years old. The Division of State Lands’ staff explained they travel with two trucks because of the age and unreliability of the field crew’s trucks. According to our review, using the second truck resulted in an excess fuel cost of approximately \$2,822. In addition, according to the Division of State Lands’ records, \$34,138.73 has been spent on repairs to the field crew’s trucks since the beginning of FY 2013-2014.

Recommendation: (1) We recommended the Division of State Lands and the Division of Water Resource Management require staff to fuel any equipment not assigned a specific fuel card with a miscellaneous fuel card.

(2) As part of the consolidation efforts, we recommended the Division of State Lands and the Division of Water Resource Management establish a system of record keeping that will track the usage and maintenance needed of all equipment used by the field crew. This tracking system should be used to guide future surplus decisions, as well as decisions regarding maintenance costs and replacement needs.

(3) We recommended the Division of State Lands address the age and unreliability of the field crew’s vehicle fleet, given the added cost of repairs and use of additional vehicles during fieldwork. The Division of State Lands should review the vehicle repair cost and use of duplicate vehicle cost to determine which vehicles are no longer cost effective to use.

Action Taken: (1) The Division of State Lands agreed with the recommendation. Staff has been reminded that fuel cards assigned to specific equipment are only to be used for that specific equipment. Any equipment not assigned a fuel card should utilize a miscellaneous fuel card. A written procedure will be drafted to ensure all employees and new employees are aware of this requirement.

The Division of Water Resource Management responded that the supervisor would discuss this issue with appropriate staff and provide specific guidance on fueling any equipment not assigned a specific fuel card. A monthly usage log accompanied by a monthly log receipt submittal form will be maintained for each miscellaneous fuel card. These logs will be reconciled and posted to the Equipment Management Information System and scanned with receipts into OCULUS by the 12th day of the month following each completed calendar month.

(2) The Division of State Lands agreed with the recommendation. Staff has been instructed to track usage of field equipment by utilizing hour meters or odometers and/or hourly usage logs/tracking sheets. A Division specific written procedure will be drafted for current and new employees to ensure the tracking is continued.

The Division of Water Resource Management will coordinate with the Division of State Lands to develop and use a spreadsheet to track the usage and maintenance of all specialty equipment utilized by survey staff. As recommended, the tracking system will be used to guide future surplus decisions and identifying specialty equipment replacement needs.

(3) The Division of State Lands agreed with the recommendation. Due to the age/mileage of vehicles, the Division reviewed available surplus vehicles that could be utilized as replacement vehicles. Six Florida Fish and Wildlife Conservation Commission trucks have been identified for inspection and potential replacements. The Division of State Lands also submitted a Legislative Budget Request to increase funding for purchase of three new vehicles.

A-1314DEP-047: Review of Coral Reef Conservation Program

The scope of this review of the Coral Reef Conservation Program (Program) within the Florida Coastal Office included select Program activities from July 1, 2013, through December 31, 2013.

Results of Review: Based on interviews with National Oceanic and Atmospheric Agency (NOAA) and Department personnel, as well as review of documentation, Program operations are monitored on an on-going basis. The NOAA liaison, who serves as the primary oversight of funding for the Program’s operations, stated no issues have occurred with the Program operating outside of its scope. Florida Coastal Office Management indicated that no issues have arisen with Program operations.

Recommendation: There were no findings or recommendations.

A-1314DEP-048: Review of Campsite Reservation Controls

The scope of this review included the campsite reservation controls at Bahia Honda State Park during FY 2013-2014.

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Results of Review: Bahia Honda State Park and other Parks in the Park system that are at or near 100% occupancy during peak seasons, have become the subject of third party abuse and manipulation for financial gain, at the expense of the public.

Recommendation: To address the issues identified in this review, the Division of Recreation and Parks (Division) should determine a course of action to deter manipulation of overnight accommodations for third party gain and circumvention of Division policies. The Division should expand the research conducted during this review to consider all best practices in place where high-demand occupancy Parks are vulnerable to manipulation.

Specifically, policies, prohibited uses, and illegitimate camping practices should be communicated to visitors on the Division and reservation website, especially in regards to high demand campgrounds during peak seasons. The Division should work with Active Network to put tighter controls in place and communicate these changes to visitors through the reservation system. As a security measure, visitors should be required to acknowledge an understanding of policies, as well as reservation restrictions prior to confirming the reservation.

Action Taken: The Division has taken action to minimize the reselling of campsite reservations. The Division implemented the new policy regarding reselling campsite reservations, which was posted in the Operations Manual, chapter 8, section 3 on May 30, 2014. The Florida State Parks Online Guide, and the Reserve America website were updated on June 18, 2014. The Division also requested that Active Network require those making reservations to acknowledge an understanding of policies, including the prohibition of reselling reservations and this information be placed in the reservation confirmation email. On March 2, 2015, the Division approved and updated the policy on maximum length of overnight stay, Operations Manual, chapter 8, section 3. The Department has finalized negotiations with Active Network and the renewed contract includes a new reporting mechanism to assist the Division with tracking, monitoring, and enforcing the overnight stay limits when reservations are made.

A-1314DEP-049: Audit of Highlands Hammock State Park

The scope of this audit included select activities of the Highlands Hammock State Park (Park) during the period of July 1, 2013, through April 15, 2014.

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Results of Audit: (1) County Road 634 runs through the Park from the main entrance through the back of the Park. The Park’s estimated attendance count includes traffic passing through the Park, during normal Park hours. The Park Ranger uses a hand counter to track individuals in vehicles driving through the Park, rather than ringing “free entry” through the register. By including commuter traffic, the Park is reporting questionable attendance figures since the intended destination of these individuals is to continue along the County Road rather than the Park. Inaccurate attendance figures could result in a misrepresentation of Park usage and actual visitation.

(2) On the Weekly Tabulation of Park Visitors, the number of campsites rented and primitive campers could not be verified because the Park did not retain the receipts.

(3) During the site visit, the volunteer files with the sexual predator searches could not be located. After the site visit, we requested a sample of sexual predator searches for current volunteers and two out of six searches were located in the volunteer files at the Park. The Park ran the other four searches that could not be found at the time of our request.

Recommendation: (1) We recommended the Division of Recreation and Parks (Division) ensure that reported attendance figures reflect visitors whose intended destination is visiting the Park, rather than the inclusion of commuter traffic.

(2) We recommended the Park retain the receipts for primitive campers and reports for the Weekly Tabulation of Park Visitors, in order to support the actual counts documented.

(3) We recommended the Park put processes in place to ensure searches are conducted prior to volunteer appointment, as well as on an annual basis as required.

Action Taken: (1) The Division agreed with the recommendation. The Division conducted a thorough review of the attendance reporting process for all State Parks. On November 3, 2014, the Division approved and distributed an updated Attendance Reporting section of the Operations Manual. The new Attendance Reporting section is designed to provide consistent and accurate Park attendance information. Among other improvements in the updated section, each State Park is required to develop and have an approved Attendance Reporting Plan. The updated Attendance Reporting Plan was developed by the Park and approved by the District on December 29, 2014.

(2) The Division agreed with the recommendation. The implementation of the new Attendance Reporting section of the Operations Manual includes a new Weekly Attendance Report, which replaces the Weekly Tabulation of Park Visitors report. Primitive camper registrations are recorded in the Active Network system for revenue and attendance accountability. Attendance reports are generated from the Active Network system and used for completing the Weekly Attendance Report. Documentation of primitive camper’s attendance information is now retained to support data in the Weekly Attendance Report.

(3) The Division agreed that a process, which ensures searches are conducted prior to volunteer appointment, is necessary. The Division requires a sexual predator and offender’s registration check for all new staff members, including FTE, OPS, and regular service volunteers prior to appointment. However, the Division does not have any requirement for re-verifying this information on an annual basis. The Park has completed sexual predator and offender’s registration checks on all current volunteers where validation did not exist. In addition, the Park has been directed to comply with the Operations Manual and conduct searches on all new regular service volunteers prior to accepting them as new volunteers. A record of these searches, whether positive or negative, will be maintained in the volunteer’s personnel file. The Division’s new Volunteer Management System, which is in the final acquisition process, includes a data field to indicate that the sexual predator and offenders registration check was completed. This process will ensure compliance with the policy prior to appointment.

A-1314DEP-050: Audit of Myakka Outpost, Inc. at Myakka River State Park

The scope of this audit included select activities of Myakka River Outpost, Inc. (Concessionaire) at Myakka River State Park (Park), during the period January 1, 2013, through December 31, 2013.

Results of Audit: (1) The Concessionaire is not in compliance with the sexual offender and predator checks of their employees. Per Concessionaire Management, the checks are only viewed online as part of the hiring process. Proof of the check is not printed and placed in the employee’s personnel file as required.

(2) The cash registers are equipped to provide a visible display of each sale that faces the customer; however, only one of the registers actually displays a sales total. Per Concessionaire Management, they are aware that at least one of the display screens has a wiring issue and does not display sales totals.

Therefore, the Concessionaire is not fully compliant with the Acceptable Methods of Documenting Sales and Minimum Accounting Requirements.

(3) The Concessionaire does not ensure daily deposits that exceed \$1,000.00 are deposited each day. According to Concessionaire Management, daily work duties and activities, the distance from the concession to the bank, and time convenience were factors that prevented deposits from being made daily. In addition, Concessionaire Management stated that the deposits are not generally stored in the office safe. They are taken off the premises and kept in various locations, depending on the individual making the deposit.

Recommendation: (1) We recommended the Division of Recreation and Parks (Division) direct the Concessionaire to update all personnel files to reflect completed sexual predator and offender checks of all current employees and place them in the personnel files. In addition, this practice should be implemented as part of the future employee’s hiring process. It should be noted that per District Management, it is the responsibility of the Park Manager to ensure that these checks are being properly documented. As a result, we recommended the Concessionaire’s personnel records be periodically checked by Park Management to ensure compliance.

(2) In accordance with the Minimum Accounting Requirements, we recommended the Division instruct the Concessionaire to make necessary changes to the register equipment at the point of sale, to ensure total sales transactions are visible to the customers.

(3) We recommended the Division instruct the Concessionaire to review the Visitor Services Agreement and adjust the schedule of daily deposits accordingly, to mitigate risk of loss or theft and to ensure compliance. If Park Management agrees to an alternate deposit schedule due to distance to the bank or other justifiable conditions, this schedule should be approved in writing. Additionally, the Concessionaire should ensure deposits are kept in a secure locked location until the deposit can be made.

Action Taken: (1) The Division has directed the Concessionaire to update all personnel files to include completed and documented sexual predator and offender checks and Park Management has verified this. To ensure this important verification documentation is completed with all Concessionaires, the Visitor Service Provider Quarterly Evaluation is being reviewed and is expected to be approved and published by

January 30, 2015. This updated evaluation will document and ensure that Park Management is performing these verifications.

(2) The Division has directed the Concessionaire to either repair or replace the registers to meet this requirement. As of June 17, 2014, the Concessionaire has reprogrammed all registers to show the total on the visual display, and was able to repair the register in the retail/gift shop, which is part of an integrated inventory and sales system.

(3) Park Management met with the Concessionaire on June 17, 2014 and agreed in writing to the following alternate deposit schedule. Due to the distance from the Park to the bank and security concerns regarding making night time deposits, all deposits will be made during daytime hours. In most cases, deposits will be made the following business day for the previous day’s receipts. Deposits will be retained either in the office safe, or in locked storage at the residence of either the Outpost owner or Manager. If, due to unforeseen circumstances, deposits cannot be made the next business day, all deposits will remain secured in the office safe, or locked storage, as stated above. The deposit will be made as soon as practical and in no circumstances will exceed three days of receipt. If receipts exceed \$2,000, a night bank deposit is mandatory when security and employee safety can be assured. Deposits will not be comingled and each day’s receipts will be a separate deposit.

A-1314DEP-051: Audit of Non-mandatory Land Reclamation Contract MR8312 Sydney Mine

The scope of this audit included select activities of the Non-mandatory Land Reclamation (NMLR) Contract MR8312 at Sydney Mines, sites A and B.

Results of Audit: (1) For the Sydney Mine reclamation project, there were contracts that exceeded the \$25,000 threshold requiring competitive bid, but were exempted from the bid process by the Non-mandatory Land Reclamation Program (Program). The Program citing the exemption in subsection eight of chapter 69I-44.005, F.A.C., waived competitive bid requirements for these contracts.

(2) Based on Single Audit Act reviews, the landowner had not adhered to contractual requirements for fiscal year end 2011 and 2012. The Program was in the process of entering into a second NMLR contract with the landowner.

Recommendation: (1) For the remaining NMLR sites, we recommended the Program ensure competitive practices are used to procure services eligible for reimbursement. If the landowner requests a specific vendor to be exempted from the competitive procurement requirements in chapter 69I-44.005, F.A.C., the landowner should demonstrate that the commodity or service is the only one that will produce the required results. Approval of sole source purchases should state the reasons and obtain approval prior to services rendered. If there are multiple vendors that can satisfy the required results, the service or commodity should be competitively solicited through the process specified in chapter 69I-44.005, F.A.C.

(2) We recommended the Program take the necessary actions to enforce landowner compliance with the Single Audit requirements for Contract MR8312 per section 215.97, F.S. prior to the approval of future reimbursements.

Action Taken: (1) Should landowners/grantees request sole sourcing of services in the future, Division Management will ensure 1) exemption requests thoroughly document the reason(s) the selected provider is the only provider that will produce the required results and 2) the documented reasons comply with program rule, prior to granting an exemption to the competitive negotiation process. In addition, Contract Managers will document more thoroughly the reasons for Department approval or denial of exemption requests. The landowner will be required to competitively negotiate services if more than one service provider is available. Sole-sourced services provided before exemptions are granted will be deemed ineligible for reimbursement.

(2) As standard policy, Contract Managers will coordinate with the Department’s OIG to verify compliance with the Single Audit Act prior to approving future reimbursement requests for all grant agreements. This process will be documented in the program’s Financial and Compliance Audit Checklist. The Contract Manager for Sydney Mine A/B has notified the Landowner’s Agent that future reimbursements for Sydney Mine C/D will be withheld until Single Audit Act requirements for FY 2011 and 2012 are submitted to the Department’s OIG.

A-1415DEP-001: Review of Apalachicola National Estuarine Research Reserve

The scope of this review included the activities and funding associated with the Florida Coastal Office’s Apalachicola National Estuarine Research Reserve (Reserve) during FY 2013-2014. The scope also included the activities, revenue, and expenditures related to the Friends of the Reserve, Inc., Citizen Support Organization (CSO) in FY 2013-2014.

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Results of Review: (1) Fuel used from the 33-gallon diesel tank and smaller fuel containers is not tracked in the form of a physical inventory. By not tracking fuel usage, taking a physical inventory, and reconciling the physical inventory to tracking records, the Reserve is not able to account for the actual amount of fuel used or maintained.

(2) Friends of the Reserve, Inc.’s *Memorandum of Agreement, Articles of Incorporation, and Bylaws* do not provide guidance on the management of cash collections. Based on interviews with Reserve staff and Friends of the Reserve, Inc. Officers, there is a lack of Management oversight and separation of duties regarding cash collections from the gift shop and donation box. This lack of oversight exposes Friends of the Reserve, Inc. funds to the risk of mismanagement, loss, or theft. According to the Friends of the Reserve, Inc. President, the combination to the safe has never been changed and there are no established limits to the amount of cash that can be stored in the safe. In addition to Friends of the Reserve, Inc. Officers, Reserve staff in the Coastal Training Program and Education Program have access to the safe. Allowing numerous staff to have access to a safe with large sums of cash exposes Friends of the Reserve, Inc. to the risk of loss or theft.

(3) Based on interviews with Reserve staff and Friends of the Reserve, Inc. Officers, Reserve staff are involved with several key functions of Friends of the Reserve, Inc. and are the primary resource used in support of Friends of the Reserve, Inc.’s activities. Section 20.2551, F.S., does not prohibit the use of Reserve staff to participate in Friends of the Reserve, Inc. activities and fundraising. In addition, the Florida Coastal Office CSO Handbook, does not address the daily use of Reserve staff to perform fundraising and other related Friends of the Reserve, Inc. activities. However, the consistent daily use of Reserve staff to perform volunteer activities on behalf of Friends of the Reserve, Inc. during normal work hours is a detraction from regular staff duties. Rather than provide incentives for partnerships with private entities for the production of additional revenues to help enhance the program, internal staff are used for this purpose.

Recommendation: (1) We recommended the Reserve develop procedures to track the usage of the 33-gallon diesel tank and smaller fuel containers. This procedure should, at a minimum, require a physical inventory be taken monthly. Additionally, the physical inventory should be reconciled to the fuel tracking documentation.

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(2) We recommended the Reserve work with Friends of the Reserve, Inc. to establish internal controls over gift shop revenues and donation collections. This procedure should include a comparison of the cash receipts to the cash register reports. Further, we recommended a separation between the duties of cash collection and deposits. We also recommended that Friends of the Reserve, Inc. establish limits on the amount of cash held in the safe. Friends of the Reserve, Inc. should also establish a procedure to change the combination to the safe periodically and with staff changes. Friends of the Reserve, Inc. should evaluate the current number of staff who have access to the safe to determine necessary access. These procedures should be documented and made part of Friends of the Reserve, Inc.’s Bylaws. In addition, the Florida Coastal Office CSO Handbook should include these procedures as required practice.

(3) We recommended the Florida Coastal Office address these practices with the Reserve and Friends of the Reserve, Inc., as well as on an office-wide basis. Controls should be put in place to provide for a separation between the normal duties of Reserve staff and activities related to Friends of the Reserve, Inc.

Action Taken: (1) The Reserve proposed to surplus the 33-gallon diesel tank. The tank is only used in emergency circumstances (i.e. hurricane preparations) and can be replaced by smaller cans only utilized at the time of the emergency. Smaller (5-gallon) gas and diesel cans that are filled using the Miscellaneous Card are kept under lock and key at the old Eastpoint Facility. A log sheet is attached to the cabinet where the gas is kept. When cans are taken from the cabinet, the equipment which it is intended for is recorded on the log sheet. These sheets are submitted monthly to the administrative staff.

(2) The Reserve and the Friends of the Reserve, Inc. proposed the following corrective actions:

1. The safe combination will be changed annually
2. The Friends of the Reserve, Inc. employee (deposit preparer) will make weekly deposits to minimize cash in the safe.
3. Checks and cash will be delivered to the Friends of the Reserve, Inc. employee (deposit preparer) with the register tape to reconcile.
4. Each person handling money will be assigned a “cash box,” which will be counted before and after the shift. A second person will supervise counting and both individuals will write the starting and ending balance on a log sheet and initial the log.

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5. Individuals conducting sales will not have access to the final deposit or revenue reports. The Friends of the Reserve, Inc. employee or Friends of the Reserve, Inc. Board Member will oversee the final revenue reports.
6. Both petty cash funds (Education and Coastal Training Program) have been closed.
7. Once established, Friends of the Reserve, Inc. will document these procedures in their bylaws.

(3) The Reserve will continue to reduce the amount of staff time associated with running the Friends of the Reserve, Inc. gift shop, collecting donations, depositing funds, collecting registration fees, coordinating catering and meals for training participants, and purchasing refreshments for training participants. The Florida Coastal Office proposed the following corrective actions:

1. There are no longer petty cash accounts for the Education and Training sections.
2. All requests to Friends of the Reserve, Inc. have to go through the Manager. The Reserve Manager presents the requests to the Friends of the Reserve, Inc. Board at bimonthly meetings and the Board votes on whether or not to support that request. This way the Reserve Manager oversees all requests to make sure that they are appropriate and participates in discussions with the Friends of the Reserve, Inc. Board to ensure that the mission of the group is to serve the needs of the Reserve.
3. An account has been set up at a local grocery store, which allows two staff members to “purchase” food, drinks, and paper products for events. This greatly reduces the amount of time staff spend purchasing items in bulk out of town. Also, utilizing this method means that no reimbursements will be made directly to staff.
4. The Reserve will recruit volunteers to work at the Friends of the Reserve, Inc. gift shop and the staff will continue to have oversight of the day-to-day operations of the nature center. Friends of the Reserve, Inc. staff will have financial oversight (outlined above) of the gift shop. Utilizing volunteers will greatly reduce the amount of time invested by Reserve staff.
5. Apalachicola National Estuarine Research Reserve will work with the other two Florida Reserves and other Florida Coastal Office staff/locations to develop and implement a CSO handbook by June 30, 2015. In part, this manual will address the role of staff in various fundraising endeavors.

A-1415DEP-002: Audit of Polk County Cleanup Contract

The scope of this audit of Polk County Cleanup Contract included select activities of the County’s performance of Contract S0487 during the period July 1, 2011, through June 30, 2013 and included Task

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Assignments 3, 4, and 5. The audit also included a limited review of County performance during the period July 1, 2013 through June 30, 2014.

Results of Audit: (1) Based on our review of Year End Financial Statements (YEFS), there were discrepancies in the receipts and the ending fund balance. Based on interviews with County and Department personnel, the discrepancies contained in the YEFS were likely due to a lack of sufficient review. The report discrepancies did not affect the balance beyond the 10% fund carryover allowance.

(2) The County’s records of actual hours did not equal 2,080 total hours for Task Assignment 3 or Task Assignment 4 for employees charged full-time. County Management stated that the time system did not include paid holidays and should equal about 2,016 hours. Other variances were due to variations in work schedules. Total salaries were charged to the Contract. Without the documentation, the Division of Waste Management (Division) cannot be assured the Salary and Benefits portion of the YEFS were accurate.

(3) The County charged administrative costs to Task Assignment 3 and Task Assignment 4 for the Contract. Administrative costs were not charged to Task Assignment 1 and Task Assignment 2. County Management stated that the reason the Contract was charged in Task Assignment 3 and 4 was that the Contract had funding availability. The County did not charge the Contract for administrative costs when funds were not available.

During our on-site visit, we noted office space included under rent expense that was not being occupied by staff. We also reviewed monthly invoices in comparison to assigned sites. The County was assigned 294 sites in both Task Assignments 3 and 4. In Task Assignment 5, the County was assigned 290 sites. The County documented work on 295 sites in Task Assignment 3 and 245 sites in Task Assignment 4. In Task Assignment 5, the County documented work on 208 sites. The Contract, attachment A, paragraph 4(d) states, *the County may forfeit 10% of the total task assignment amount if the administrative review determines a score of 90%*. The Department’s last administrative review was for Task Assignment 3. The Contract, attachment A, paragraph 9(d) states, *no Site Manager shall be assigned more than 50 petroleum cleanup sites*. During Task Assignment 3, the County had five Site Managers assigned from 50 to 63 sites. During Task Assignment 4, the County had three Site Managers assigned from 52 to 72 sites. According to the review of deliverable dates in OCULUS, the County had a late deliverable rate of 14.8% in Task Assignment 3 and 32% in Task Assignment 4. The County attributed the assignments and

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late reviews to personnel turnover and changes in the Program procedures. Division Management acknowledged the County personnel difficulties and Program performance changes.

Recommendation: (1) Although adjustments to the ending fund balance were not affected, we recommended the Division direct the County to correct and reissue YEFS for Task Assignment 3 and Task Assignment 4. Going forward, an accurate account for Task Assignment 5 beginning balance and expenses are important for Division funding decisions.

(2) We recommended the Division direct the County to track staff work hours associated with the Contract to support the Salary and Benefits portion, as well as total hours worked.

(3) We recommended the Division monitor work being conducted under the current task assignment. The Division should conduct administrative reviews and assess the staffing levels to evaluate the County’s performance. If work is not being properly conducted under the task assignment, the Division should take appropriate action to ensure sites included in the task assignment are being managed effectively and funds are used efficiently.

Action Taken: (1) The Division’s response stated that the Division would direct the County to correct and reissue YEFS for Task Assignments 3 and 4.

(2) The Division directed the County to report to the Division the hours worked on the Contract as of January 1, 2015. The staff hours were to be submitted with the monthly invoice.

(3) The Division stated it would undertake the necessary administrative reviews to ensure that staffing level requirements are being complied with, along with the associated assignment of sites to Managers. Monthly invoices will be reviewed to ensure the County is on track with documented sites assigned. The Division has contacted the County and is working with it to establish a plan to ensure that the work under each task assignment is being performed and that the funds are used as appropriated. The Polk County Petroleum Restoration Program (PRP) recently moved from Lakeland to a smaller office in Bartow and this will result in a reduction of expenditures for rent.

A-1415DEP-003: Audit of Grayton Beach State Park Citizen Support Organization

The scope of this audit included select activities of Friends of Grayton Beach State Park and Deer Lake State Park, Inc. Citizen Support Organization (CSO) during the period FY 2013-2014, as well as current practices in FY 2014-2015.

Results of Audit: (1) The CSO does not obtain an invoice or receipt for the firewood purchased for resale. The CSO also does not obtain a receipt from the vendor when receiving the coin operated laundry facilities 50/50 revenue split. Additionally, the CSO purchased gift cards for Grayton Beach State Park (Park) staff use during the audit period. However, accurate documentation of purchases made with these gift cards could not be verified.

(2) The CSO members do not perform duties or volunteer activities nor do they host events that would generate revenue or promote the Park. Park staff is the primary resource used in support of CSO fundraising activities. CSO revenue is generated from donations, soda vending, laundry vending, and the sale of ice and firewood. The Park staff handles the CSO’s daily revenue from these sales. In addition, CSO operations being primarily managed by Park staff allows Park staff perpetual access to CSO funds.

While the CSO raises additional funds for the Park, the Park and CSO are allowed fiscal flexibility outside normal state expenditure related controls. This provides an income stream that can be controlled and used outside normally approved purchases. This exposure subjects the Park to misuse or the perceived misuse of funds. According to the CSO Agreement, section 7, *the CSO agrees that all funds generated by the CSO, through use of Park facilities or the Park’s name or identity, will be used for the direct or indirect benefit of the Park, or in support of the CSO’s purposes.* The concept of indirect benefit is a general term that if not specifically defined, may be subject to varying interpretations. Some questionable practices associated with CSO expenditures include providing Park Management with gift cards used for food expenditures for a retirement reception and volunteer appreciation events.

(3) The CSO has recently adopted a Code of Ethics as required, but they do not have a website to post them on as specified.

Recommendation: (1) For firewood purchases, we recommended the CSO obtain an invoice and receipt from the vendor showing the quantity ordered and delivered. This amount should be verified and documented by the CSO at the time of delivery. In addition, the CSO should put controls in place to

ensure an accurate account of revenue received by the CSO from the laundry vending. This should include documented vendor coin counts, as well as verification. Lastly, if the CSO continues the use of gift cards, the receipt for the purchase of the gift card, as well as receipts for items purchased using the gift card, should be retained by the CSO. All gift card purchases should be for items that directly benefit and support the Park.

(2) We recommended the Division of Recreation and Parks (Division) address these practices with the Park and CSO, as well as on a Division-wide basis. Controls should be put in place to provide for a separation between Park staff’s normal daily activities and CSO fundraising. As provided in the CSO handbook, Park Management should work to collaborate with CSO groups to raise funds for monetary support, increase community awareness and involvement in the Parks and its programs. The CSO should support the Park by working on Park projects or raising money to help meet the needs of a Park, as defined by Park Management and the Unit Management Plan. CSO and Park Management should strive to keep all expenditures highly transparent and directly related to the needs of the Park benefiting the public.

(3) We recommended the Division direct the CSO to arrange for a website to be created and the adopted Code of Ethics be displayed as required.

Action Taken: (1) The Division will direct the CSO to obtain invoices and receipts from the vendor showing quantity of firewood ordered and delivered and the amount will be verified and documented at the time of delivery. The CSO has already put controls in place to document vendor coin counts and verification to ensure an accurate account of revenue received by the CSO for laundry vending. The Division will direct the Park staff to provide receipts for purchases and the CSO to retain the receipts for the purchase of gift cards, as well as the receipts for the items purchased using the gift card.

(2) The Division has addressed the practices described in this finding with the updated CSO Handbook, which was disseminated to all Parks in early January 2015. Each CSO is unique in how it supports a particular Park or number of Parks. The Division views this CSO’s support activities as consistent with the CSO Handbook. The Division will provide management oversight to ensure staff participation in the sale of firewood and ice is incidental to their primary work of registering campers and providing visitor service. The Division will advise the CSO to ensure a CSO member collects vending and donation revenue, as this regular independent business operation may not be incidental to Park employees other

duties. In addition, the Division will hold CSOs to a standard where income and expenditures are appropriately documented and transparent and that support efforts directly relate to the needs of the Park benefiting the public.

(3) There is no statutory requirement for CSOs to have a website; however, the Division will encourage the CSO to establish one. If the CSO establishes a website then the Division will ensure the CSO posts their Code of Ethics.

A-1415DEP-004: Audit of Wekiva Springs Construction Contract

The scope of this review included Purchase Order A8E868 between the Department’s Office of Operations, Bureau of Design and Construction, and Classic Marcite, Inc. for demolition and pool reconstruction at Wekiwa Springs State Park between October 4, 2013 and January 31, 2014.

Results of Audit: Based on review of documents and interviews with the Project Planner, Project Manager, Bureau Management, and the Contractor, the work performed by the Contractor was completed timely and in accordance with the Purchase Order and Scope of Work.

Recommendations: There were no findings or recommendations.

A-1415DEP-005: Review of Total Maximum Daily Loads Grant Program

The scope of this review included an assessment of the grant management and oversight of the Total Maximum Daily Loads and Section 319 Non-point Source Grant Programs (Programs) during the period FY 2013-2014, and other periods as related to the grant process and selected grants.

Results of Review: (1) Based on our review of the grant development and management process, documented practices included areas or weakness regarding transparency and efficiency.

(2) In the detailed review of the five sampled grants, three included practices that indicate agreement management oversight should be strengthened. File documents lacked sufficient detail to ensure project tasks were on target and scopes of work were completed in multiple year projects. Invoices lacked sufficient support documentation for reimbursement approval. In addition, documentation of local required match funding lacked sufficient detail for justification.

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Recommendation: (1) In order to improve efficiencies and transparency of grant processes we recommended the Programs put processes in place to improve grant management. These included:

- Timely execution of agreements.
- Ensuring that projects are actively monitored so that all work, final reports, and sufficient justification for match contributions are received prior to the end of the agreement. Documented applicant-scoring processes with sufficient justification and approval of any scoring changes.
- Documentation of consistent decisions in application scoring and approval, such as in the areas of permitting and match funding requirements.

(2) We recommended the Programs take steps to strengthen grant oversight and monitoring to ensure:

- Sufficient documentation of agreement authorized expenses to ensure compliance prior to invoice approval. This includes receipts and satisfactory acceptance of services. All expenses should be reviewed to ensure they are directly linked to deliverables.
- Review of final reports to ensure consistency with status reports and invoices prior to final payment.
- Documented oversight and justification of subcontractor and sub grantee selection and award.

Action Taken: (1) The Non-point Source Management section is developing Scope of Work templates to expedite the contracting process. The templates will provide standard language for some of the contractual parameters (deliverables, performance standards, timeline tables, etc.). Information was added to the section’s Contract Management Standard Operating Procedure (SOP), instructing Managers to extend contracts, prior to the end date, if unforeseen delays prevent completion of all activities. The SOP also instructs Managers to closely monitor the progress of the tasks in order to adjust timelines or implement corrective actions. A request to add retainage language to all the section’s new agreements was sent to the Procurement staff on January 24, 2014.

Staff have been instructed that changes must be documented appropriately, including initialing, dating, and adding a comment that explains the reason for the change. The section will develop a SOP for handling the proposal process for the TMDL and 319 grants. Along with including the above instruction, the SOP will provide consistency in handling the grant proposal processes.

(2) During the past year, Contract Managers have been attending training classes on financial and programmatic contract oversight. Contract Managers are now required to pass the Florida Certified

Contract Manager course. In February 2015, an Invoice Checklist was developed for the Non-point Source Management section Managers to fill out and submit with every invoice. Managers were instructed on the use of the Checklist and it was incorporated into the section’s Contract Management SOP. The SOP also contains a section on the review and documentation of invoices.

A-1415DEP-006: Audit of Topsail Hill State Park

The scope of this audit included select activities of the Topsail Hill State Park (Park) during the period January 1, 2013, through August 30, 2014.

Results of Audit: (1) Sales revenue for the Park-operated store reported to the Division of Recreation and Parks (Division) should reconcile to merchandise inventory records maintained by the Park. However, receipts for the two sample months did not reconcile to the inventory reports prepared at the end of each sample month. The Park does not have a method in place to effectively track merchandise inventory for the Park store. Park Management stated, *inventory reports are not reconciled to sales revenue because the register currently being used does not track items sold*. Without proper tracking of store inventory, the Park is exposed to the risk of loss or theft of goods. Mainly volunteers rather than Park employees operate the Park store.

(2) The Park submits a Monthly Bulk Gasoline and Oil Inventory Report to the District Office, including the corresponding receipts and employee signatures of fuel purchases. However, only the quantity on hand at the end of the month was listed on each of the sampled Monthly Inventory Reports. While the Park maintains receipts and fuel usage records, beginning inventory, purchases, and usage was not completed on the Inventory Report for the two sample months. By not consistently tracking fuel inventory, the Park is running the risk of loss or theft and does not have historical records that would support justification for on-going fuel purchases.

(3) At the time of our visit, the Park was unable to provide documentation for reservations that claimed tax exemption during the two months sampled. Currently, the Park does not have a process in place to record the necessary documentation for parties claiming tax exemption. The Department is liable for uncollected tax when documentation verifying tax exemption is not available. The Division has been made aware of this issue in recent months and is taking steps to direct Parks to maintain tax-exempt documentation.

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(4) Park Management stated that overnight visitor attendance figures were collected from Active Network camper reports at day’s end. However, these reports could not be reproduced and were not archived by the Park. Therefore, the Park was unable to provide supporting documentation for reported attendance figures for overnight visitors.

(5) At the time of our site visit, of the seventeen volunteers working at the time, the Park was unable to provide sexual predator searches for two volunteers and signed Volunteer Agreements for one of the volunteers. The Park is responsible for ensuring these documents are completed and verified prior to volunteers working at the Park. Without keeping record of these documents for each volunteer, the Park cannot confirm whether these actions were performed.

Recommendation: (1) We recommended the Division establish procedures for the Park to monitor merchandise inventory of the Park’s self-operated store. Merchandise inventory should be tracked on a daily basis and the monthly ending inventory should reconcile to the store’s reported revenue for that period.

(2) We recommended the Park complete the Monthly Bulk Gas and Oil Inventory Report, in order to ensure beginning inventories reconcile to ending inventories, based on reported usage and purchases throughout the month. A monthly reconciliation process should be put in place to document actual fuel on hand at the end of each month.

(3) We recommended the Park put procedures in place to obtain and document valid tax exemption certification for any sales involving organizations that claim tax exemption.

(4) We recommended the Park maintain support documentation for all attendance reports, including camper reports used for tabulating visitor attendance.

(5) We recommended the Park maintain records of sexual predator searches and signed Volunteer Agreements to help ensure these actions are taken before each volunteer is approved to work at the Park.

Action Taken: (1) The Division agreed with the recommendation to establish procedures for the Park to monitor merchandise inventory of the Park’s self-operated store. The current Operations Manual section on Park Merchandise Inventories lacks detail to assure accountability and reconciliation with revenue.

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The Division will convene a small workgroup to include the Division of Recreation and Parks, Office of Technology and Information Support, and Office of Operations representatives to develop an updated accountability policy.

(2) The Division agreed with the recommendation and the Park has implemented the recommended method, including monthly reconciliation, for tracking bulk fuel usage.

(3) The Division agreed with the recommendation and the Park has put a procedure in place to obtain and document valid tax exemption certificates. The Park requires visitors to provide their tax exempt certificate in advance and the certificate is kept on file at the Park.

(4) The Division agreed with the recommendation to maintain supporting documentation for attendance reports, where applicable. The Division considers the Weekly Attendance Report the source document. The information provided on this document comes from several collection methods including Park staff taking visual readings from live snapshot online reports, and traffic, trail, and hand counters. Collecting and maintaining validation of all raw data of this nature would create an undue administrative burden and is not of substantial value to the Division.

(5) The Division agreed with the recommendation and will direct the District and Park to ensure sexual predator and sexual offender checks are performed on all volunteers and a copy of the results are maintained in each volunteer’s file along with the signed volunteer agreements.

A-1415DEP-007: Audit of Friends of Pensacola State Parks, Inc., Citizen Support Organization

The scope of this audit included select activities of Friends of Pensacola State Parks Inc., Citizen Support Organization (CSO). The period of the audit was July 1, 2012, through June 30, 2014.

Results of Audit: (1) The CSO did not create an Annual Program Plan in FY 2013-2014 and submit it to the Park Manager for all projects, activities, and events planned to be carried out on Park property. The CSO also did not create an annual budget as required by their Board Financial Policies. In addition, the Board Financial Policies and Cash Handling Procedures have not been signed and dated by CSO Officers, nor is it documented in the meeting minutes that they have been approved by the CSO Board.

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(2) During our review, we were unable to verify that the CSO had collected appropriate membership dues from its members. The CSO records provided included eight Florida Park Service Volunteer applications. Of these eight applications, only three were included in the CSO Membership List. As such, the records maintained did not reflect complete and accurate documentation of CSO membership.

(3) Park staff used revenue from the sale of daily CSO merchandise to pay for firewood purchases. Invoices were not provided for these transactions; however, Park staff provided written receipts. A Park employee noted on a firewood sales log that cash was removed from the CSO’s campsite firewood sales revenue to purchase wraps for the campsite firewood supply. The purchase of wraps for firewood was a purchase for supplies that should have been made through the normal authorization of expenses.

(4) The main duties of the CSO members are to maintain financial records and meet to discuss and authorize funds for Park needs, as determined by the Park Manager. Park staff are responsible for selling the CSO retail items, collecting and logging CSO revenue, and assisting with CSO related events.

(5) According to section 112.3251 F.S., the CSO must adopt its own Code of Ethics. The Code of Ethics must be conspicuously posted on the CSO organization’s website. The CSO has recently adopted a Code of Ethics as required, but they do not have a website to post them on as specified.

Recommendation: (1) We recommended the Division of Recreation and Parks (Division) direct the CSO to create an annual budget and financial plan, as stated in the Board Financial Policies and ensure that the Park Manager has approved all CSO planned events and activities. We further recommended the Division direct the CSO to finalize agreed upon policies and procedures by having the appropriate CSO Officers sign and date the documents.

(2) We recommended the Division direct the CSO to ensure that all membership dues are paid annually to the Corporation as specified in the CSO Bylaws. The CSO should also ensure that an accurate account of all CSO members is maintained.

(3) We recommended the Division direct the CSO to obtain an invoice and receipt from the vendor showing the quantity ordered, quantity delivered, and payment owed. The amount of firewood purchased should be verified at the time of delivery. All payments should be made with a check that has been signed

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by designated CSO members. We further recommended that all funds collected should be deposited into the CSO bank account prior to purchases.

(4) Going forward, we recommended the Division address these practices with the Park and CSO. According to the 2014 CSO Handbook, *the time and manpower involved in operating a CSO’s independent and regular business, as a Division requirement, must come from CSO employees and CSO members, not Division employees.*

(5) We recommended the Division direct the CSO to arrange for a website to be created and the adopted Code of Ethics be displayed, as required.

Action Taken: (1) The Division agreed with the recommendation. The CSO was in a transitional period and did not create an annual budget and financial plan for FY 2013-2014. The Park Manager is working closely with the CSO to rebuild the CSOs capacity and has addressed compliance in this area. The CSO is now operating under an approved Annual Program Plan and the CSO Board approved the Board Financial Policies and Cash Handling Procedures in September 2014.

(2) The Division agreed with the recommendation. The Park Manager has met with the CSO and has discussed methods to accurately report and document membership dues collected. The CSO has been directed to ensure membership dues are paid annually and an accurate account of all CSO members is maintained.

(3) The Division agreed with the recommendation and will direct the CSO to comply with their approved financial policies including obtaining invoices and receipts from vendors showing quantity of product received, verified, and documented at the time of delivery, making payments with checks signed by designated CSO members, and depositing all revenue into the CSO bank account.

(4) The Division agreed with the recommendation and has addressed the practices described in this finding with the updated CSO Handbook, which was disseminated to all Parks in early January 2015. The Division regularly reviews its CSO policies to ensure they are supporting Parks appropriately. Each CSO is unique in how it supports a particular Park or number of Parks. The Division views this CSO’s support activities as consistent with the CSO Handbook. The Division will provide management oversight to

ensure staff participation in the sale of firewood and retail items is incidental to their primary work at the ranger station.

(5) The Division believes a CSO website would be beneficial to the CSO and will suggest they establish one. According to section 112.3251 F.S., there is no statutory requirement for CSOs to have a website. If the CSO establishes a website then the Division will ensure the CSO posts their Code of Ethics. The Department, in compliance with section 20.058 (2) F.S., posted the 2014 CSO Annual Report for Friends of Pensacola State Parks, Inc. on the Department’s website. The 2014 CSO Annual Report includes the CSO’s Code of Ethics.

A-1415DEP-009: Review of Washington County Small County Grant Agreement 334SC and 433SC

The scope of this review included the Solid Waste Small County Consolidated Grants awarded to Washington County. The period was from October 1, 2012, through September 30, 2013, for Contract Agreement 334SC, and October 1, 2013, to September 30, 2014, for Contract Agreement 433SC.

Results of Review: (1) For FY 2012-2013 Grant 334SC, County reimbursement requests included expenditures that were allowable and eligible under the Grant. Grant 334SC, Part II Grant Conditions 2A states, *the final invoice should be submitted no later than October 31, 2013*. During the audit period, the County did not submit timely reimbursement requests and did not use the final grant amount of \$24,468.32. Grant 433SC award during FY 2013-2014 provided \$90,909 in grant funds to the County. At the time of our review, one reimbursement request of \$65,135.54 had been submitted to the Division of Waste Management (Division) in the final quarter of the Grant. Section II.2.C of the Grant states, *quarterly reimbursement requests should be submitted no later than 20 days following the completion of the quarterly reporting period*. According to the County Coordinator, the County was working to submit the final reimbursement request at the time of our review. According to interviews with County Management, the County experienced turnover in the Grant Coordinator position due to insufficient oversight. Based on discussions with County Management, policy changes were being made to ensure better internal processes to manage grant funds.

Recommendation: (1) We recommended the Division work closely with the current County Administrators to ensure current and future Grant reimbursement requests are submitted timely. If the County continues to fail to demonstrate Grant administration that complies with Grant requirements, we

recommended the Division consider exercising penalties for non-compliance provided within the Grant Agreement.

Action Taken: (1) The Division agreed with the findings and recommendations. The Division has worked with Washington County in order to provide assistance in the preparation and submission of reimbursement requests. The Department, on November 14, 2014, received the final request for FY 2013-2014. To address the overall issue of timely submission of reimbursement requests, along with other facets of the program, the Division is planning to host a training webinar for the counties. Beginning with FY 2014-2015 grants, the Division has converted this program from paper submittals to electronic submittals, which has significantly alleviated issues concerning the filing deadlines. Counties have been reminded of the importance of meeting all filing deadlines. Concerning the expenditure of grant funds, the Division has begun outreach efforts targeted to those counties that have historically under-utilized their grant funds.

A-1415DEP-011: Audit of Blue Moon Outdoor Center LLC, Concession at Oleta River State Park

The scope of this audit included select activities for Blue Moon Outdoor Center, LLC Concession (Concessionaire) at Oleta River State Park (Park), during the period January 1, 2013, and June 30, 2014.

Results of Audit: (1) With the exception of one month, the amounts reported on the Monthly Report of Gross Sales did not agree with amounts recorded in the general ledger and bank statements.

(2) The Concession main Park building design was originally submitted to the City of North Miami as a storage (S-1) occupancy. After the certificate of occupancy was issued on February 4, 2010, the building’s use was considered mercantile, rather than storage since the building is used for food service, retail sales, recreational equipment rental, and tours. The State Fire Marshall website lists the building as Mercantile Occupancy. According to the Building Official with the City of North Miami, the main Park building is still listed as storage. Also, the one restroom facility in the main Park building is not made available for customer use. Currently, signs are posted in the Concession main Park building instructing visitors to use the Park restrooms.

(3) During our site visit on July 29, 2014, we reviewed twenty-three employee files for sexual predator verifications. Verifications were present for all twenty-three employee files. However, fifteen of these

were dated days prior to our site visit.

Recommendation: (1) In accordance with Minimum Accounting Requirements, we recommended the Division of Recreation and Parks (Division) work with the Concessionaire to ensure amounts reported in the Monthly Report of Gross Sales agree with general ledger entries and bank statement deposits. Further, daily support should be maintained and agree with end of day reports.

(2) We recommended the Division work with Concession Management to ensure the Concession main Park building is permitted correctly and require the Concessionaire to meet building code for restroom facilities in a mercantile building.

(3) We recommended the Division and Park Management work closely with Concession Management to ensure sexual predator and sexual offender registrations are completed in a timely manner during the process of new employment. This should be verified and documented by Park Management on the Concessionaire Quarterly Evaluation form.

Action Taken: (1) The Division agreed with the recommendation and will direct the District and the Park to work with the Concessionaire to ensure that all revenue handling is accounted for on an accrual basis. All receipts, journals, ledgers, and bank statement deposits should reflect accurately that revenue from daily and monthly cycles match with deposits from the same cycle.

(2) The Division agreed with the recommendation. The Concession Agreement with the Concessionaire is currently on a month-to-month extension in order to allow this Concession to be competitively bid out in 2015. If the existing Concessionaire is retained, they will be required to provide a code compliant ADA restroom facility as a capital improvement stipulated in the agreement. If a different Concessionaire is selected, construction of a code compliant ADA restroom facility will be a capital improvement requirement of any agreement awarded.

(3) The Division agreed with the recommendation and will direct the District and Park to ensure the Concessionaire performs sexual predator and sexual offender checks on its employees and that a copy of the record is kept in the employee’s personnel file. Furthermore, the Division will ensure that all Concession Quarterly Evaluation Forms reflect spot inspections for satisfactory sexual predator and sexual offender registration checks on Concession employees.

A-1415DEP-012: Audit of Polk County Compliance Contract

The scope of this audit included an examination of Contract GC698 and its corresponding task assignments issued between July 1, 2012, and September 12, 2014. The audit encompassed Task Assignments 6 through 8, beginning July 1, 2012, through June 30, 2014, and selected events from July 1, 2014, through September 12, 2014. It included reviewing materials and activities related to the compliance inspection services in Polk and Hardee Counties.

Results of Audit: (1) Title XV, section B of the Energy Policy Act of 2005 requires facilities to have an on-site inspection of Underground Storage Tanks (UST) regulated under Subtitle I at least once every three years. One UST included in Task Assignment 7 was last inspected July 6, 2011. The facility was listed on the Task Assignment 7 facility list for inspection. According to the facility file, an Inspector attempted contact and issued a “Can’t Contact” letter on May 12, 2014. There was no journal record of further follow-up as of September 4, 2014. Task Assignment 8 facility list had 36 facilities that will exceed the previous inspection date by 3 years if not inspected by December 31, 2014.

Recommendation: (1) We recommended the Division of Waste Management (Division) work closely with the County to ensure the task assignment and EPA required inspections are conducted. If the County cannot meet EPA and Department inspection requirements, the Division should consider remedies provided under the Contract, to include termination of the Contract.

Action Taken: (1) The Division and the Southwest District have been closely monitoring the performance of Department of Health, Polk County (County) over the last several months. On September 8, 2014, the Division sent a letter to the County Director noting our observations concerning failure to meet performance metrics. The Division reported on May 21, 2015, that the Florida Department of Health (FDOH) in Polk County has accomplished the following actions to meet the requirements of Contract GC698 Task 8:

1. The FDOH in Polk is fully staffed following recruitment of the Environmental Supervisor II as the Program Supervisor, two Environmental Specialist II compliance inspectors, and one Environmental Specialist I compliance inspector.
2. Polk County completed 33% of routine compliance inspections in December 2014, and 66% of routine compliance inspections in April 2015.

3. Polk County is committed to completing 100% of routine compliance inspections by June 30, 2015.

A-1415DEP-014: Review of Rookery Bay National Estuarine Research Reserve

The scope of this review included the activities and funding associated with the Florida Coastal Office’s Rookery Bay National Estuarine Research Reserve (NERR) during FY 2013-2014. The scope also included the activities, revenue, and expenditures related to the Friends of Rookery Bay, Inc. Citizen Support Organization in FY 2013-2014.

Results of Review: (1) Based on our review of Rookery Bay NERR’s revenue collection during the months of January and March 2014, discrepancies were found between register reports, Daily Revenue Reports, and cash deposits in four of the eleven deposits made in January and March 2014. In addition, sales supported by the register did not agree with the sales on the Daily Revenue Reports for 16 days in January and March 2014.

(2) Based on our review of Friends of Rookery Bay, Inc.’s revenue collection in January and March 2014, register sales did not agree with the credit card settlement reports for ten of the forty-eight days reviewed. In addition, we could not verify cash receipts during January and March 2014, because cash deposits were not made on a set schedule.

(3) Friends of Rookery Bay, Inc. relies on Rookery Bay NERR staff to generate revenue through a variety of means, including operation of the Friends of Rookery Bay, Inc. gift shop, coordination of facility rentals, training and education events, and assistance in obtaining grants. These activities are conducted in conjunction with Rookery Bay NERR staff’s regular job duties. Friends of Rookery Bay, Inc. receives revenue from the gift shop, facility rentals, training and education events, and grants. The Rookery Bay NERR Administrative Assistant who operates the cash register at the Rookery Bay NERR visitor center is also paid by Friends of Rookery Bay, Inc. to operate the gift shop. However, there is no documentation of the allocated time for this staff member between Rookery Bay NERR and Friends of Rookery Bay, Inc., as justification of the Friends of Rookery Bay, Inc. expense.

Recommendation: (1) We recommended Rookery Bay NERR Management ensure that cash deposits are made in the correct deposit period. In addition, we recommended Management ensure that all sales are recorded in the register to clearly document an accurate representation of revenue.

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(2) We recommended that Rookery Bay NERR work with Friends of Rookery Bay, Inc. to establish procedures ensuring that all sales are entered into the register. In addition, we recommended that Friends of Rookery Bay, Inc. establish procedures to make deposits on a more frequent and set schedule.

(3) We recommended the Florida Coastal Office address these practices with Rookery Bay NERR, as well as on an office-wide basis. Controls should be put in place to provide for and document a separation between the normal duties of Rookery Bay NERR staff and activities related to Friends of Rookery Bay, Inc.

Action Taken: (1) All cash deposits have been made correctly within correct months since April 2014; all new staff are in place, discrepancies have been reviewed, revenue handling staff re-trained and ongoing training implemented. There has been a relative 99% accuracy rate since April 2014.

(2) The Friends of Rookery Bay, Inc. has made deposits weekly, since April 2014. A maximum amount of \$3,000 is held in the safe for a weekly deposit. All Friends of Rookery Bay, Inc. staff/volunteers assigned to the register have been re-trained, and have spot training on a weekly basis during season; all procedures have resulted in a relative 99% accuracy rate since April 2014.

(3) Rookery Bay NERR is presently documenting and logging hours worked for DEP and “secondary” hours worked. Rookery Bay NERR will work with the other two Florida Reserves and other Florida Coastal Office staff/locations to develop and implement a Citizen Support Organization handbook. This handbook, in part, will address a separation of duties and accountability for any “secondary” work hours between the normal duties of DEP staff and activities related to a Citizen Support Organization.

A-1415DEP-015: Review of Department Fuel Card Controls

The scope included a review of Department fuel card usage for FY July 1, 2013, through June 30, 2014.

Results of Review: (1) Purchases are not reported accurately and Management oversight is lacking. During our review, Fleet Coordinators indicated that staff reviewed monthly vehicle usage logs to verify completeness prior to scanning. However, most were not reviewing vehicle usage log information to verify mileage and destination for accuracy and reasonableness. Programs are responsible for monitoring fuel card activities; however, no specific procedures are provided as to the extent of monitoring that needs

to be conducted. All personal identification number (PIN) holders are required to complete the online fuel card training prior to the Program Area’s approval for PIN issuance. According to the Fuel Administrator, applicants must sign a form stating they have completed the fuel card training prior to being issued a PIN. However, the Fuel Administrator does not verify completion of this training.

Recommendation: (1) We recommended the Department, through the Division of Administrative Services, require all Program Areas to demonstrate compliance with DEP Directive 660 and put processes in place to document the monitoring of fuel card activities prior to posting transactions into the Fleet system and scanning into Oculus. Further, we recommended the Division of Administrative Services conduct periodic reviews of vehicle usage log transactions for verification of reporting accuracy and use justification.

Action Taken: (1) The Bureau of General Services will create a standardized monitoring plan to be used Department wide, which will require all Program Areas to demonstrate compliance with DEP Directive 660. The plan will require a Division/District/Office Director certification statement and approval of monitoring activities periodically, annually at a minimum. The process will include verification of monitoring activities both before and after posting transactions into OCULUS and FLEET.

The Bureau of General Services will also begin conducting periodic reviews of vehicle usage logs and transactions. The reviews will be based on a percentage of the total number of fuel card activities and the Department’s current state of accuracy. When sampling shows a high number of inaccuracies, the percentage of audits will increase. Results of monitoring activities within the Bureau of General Services will be sent to the Division/District/Office Director with recommendations for improvement where applicable. The Bureau of General Services will begin providing mandatory and refresher trainings to Program Area Fleet Coordinators, annually at a minimum. This training will cover current Department policy and process for this area. The Bureau of General Services will update Directive 660 to include language that allows for periodic sampling and monitoring by both Program Areas and the Bureau. Additional language will be added to address training.

A-1415DEP-016: Audit of Big Lagoon State Park

The scope of this audit included select activities of the Big Lagoon State Park (Park) for the period of July 1, 2013, through June 30, 2014.

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Results of Audit: (1) Based on a review of the timesheets, for the period of May and June 2014, Park volunteers did not document the full 20 hours of work for three weeks, as specified in the Operations Manual.

(2) For the six resident volunteers in the Park during our site visit, one included a sexual offender and predator check conducted on February 18, 2015. This volunteer started working in the Park on April 18, 2014. Per Park staff, a check was previously conducted, but could not be located in the personnel file at the time of our request.

(3) During the two-month sample period, in comparison with their approved estimation methodology, Big Lagoon’s count was off due to the departing overnight count, data entry errors, and two weeks’ worth of data not being available for review in June.

Recommendation: (1) We recommended that Park Management require all resident volunteers to complete 20 hours per week of volunteer work in order to maintain their status as a resident Park volunteer. Timesheets should be reviewed by Management to ensure volunteer contributions comply with Division of Recreation and Parks (Division) requirements.

(2) We recommended Park Management ensure State and National sexual offenders and predator checks are maintained in the file for all resident volunteers. These should be conducted and documented at the time the resident volunteer is approved.

(3) We recommended the Park maintain all attendance documentation and estimate visitor counts based on the Division of Recreation and Parks approved Attendance Reporting Plan.

Action Taken: (1) The Division agreed with the recommendation and Park Management will ensure resident volunteers perform the required minimum 20 hours of service per occupied site. Resident volunteers generally contribute hours above the required number of hours. The new Volunteer Management System will provide documentation and verification of volunteer hours served. The contract for the new Volunteer Management System was executed on June 19, 2015. The estimated “go live” is October 2015 with training and full implementation completed by December 31, 2015.

(2) The Division agreed with the recommendation. All files are currently up to date and all new and returning volunteer verifications will be completed in accordance with the Operations Manual, prior to the volunteer beginning work.

(3) The Division agreed with the recommendation. The Park reviewed their estimation methodology and proposed an update to their Attendance Reporting Plan, which more accurately counts visitation. The District approved the updated Attendance Reporting Plan on June 25, 2015. In addition, the Park will install vehicle counters to provide a more accurate attendance estimate. Once vehicle counters are installed, the Attendance Reporting Plan will be updated to the new methodology.

A-1415DEP-017: Audit of Title V for FY 2012-2013 and 2013-2014

The scope of the compliance audit of the Title V program (Program) in Florida for the two fiscal years beginning July 1, 2012, and ending June 30, 2014, included reviewing materials and activities related to the expenditure of Title V revenues at both the Department and Local Air Programs that administer the Title V Program.

Results of Audit: Based on our audit of operating fees and costs, Title V operation fees were used to support Program costs, in accordance with chapter 403, F.S. The Local Programs and Division generally complied with the requirements of the Title V Program, with the exception of immaterial issues of rounding and time overcharges in Pinellas County and Broward County Local Programs.

Recommendations: There were no findings or recommendations.

A-1415DEP-018: State Revolving Fund (SRF) Audit for FY 2013-2014

The scope of this engagement encompassed the Department’s Clean Water and Drinking Water State Revolving Fund Program, Special Purpose Financial Presentations for fiscal year ended June 30, 2014. This audit was performed in accordance with auditing standards generally accepted in the United States and the standards applicable to audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards required that we plan the audit to obtain a reasonable assurance about whether the statements were free of material misstatement.

Results of Audit: The Department’s Special Purpose Financial Presentations presented fairly the financial position of the Clean Water and Drinking Water State Revolving Funds as of June 30, 2014, and the

revenues, expenditures, and changes in fund balance for the fiscal year ended June 30, 2014. We noted no matters involving the Department’s internal controls over financial reporting and its operation that we considered significant deficiencies or material weaknesses. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Recommendations: There were no findings or recommendations.

A-1415DEP-019: Audit of Palm Beach County Cleanup Contract

The scope of the audit included a review of Contract S0485 Task Assignments 4 and 5 in the Petroleum Restoration Program between the Department and the Palm Beach County Board of County Commissioners (County), beginning July 1, 2012, through June 30, 2014. It included reviewing materials and activities related to the Petroleum Contaminated Site Cleanup services in Palm Beach County.

Results of Audit: (1) Contract attachment A, paragraph 4d states that *no Site Managers shall be assigned more than 50 petroleum cleanup sites*. Based on a review of Task Assignment 5 assigned sites, the County’s Contract Manager had 74 sites assigned.

(2) Based on our verification of expenses, the County overstated labor, workers compensation, and overhead due to the methodologies associated with the calculation of the expenditures. During the audit, County personnel indicated that some costs were not reflected in the Year End Financial Statements because costs exceeded task funding. The County reported a negative task ending balance in Task Assignment 5 of \$104,777.73. However, without verifiable, complete, and accurate data, PRP does not have an accurate representation of County program costs.

Recommendation: (1) We recommended the Division of Waste Management (Division) direct the County to assign sites in accordance with the Contract.

(2) We recommended the Division direct the County to record and report the complete and accurate costs of the Program on the Year End Financial Statement.

Action Taken: (1) The Division will direct the County to re-distribute site management assignments to ensure that the County’s Contract Manager is managing less than 50 sites per the requirements of the contract.

(2) The Division will direct and work with the County to have them record and report all costs incurred as a result of administering the Program.

A-1415DEP-022: Review of Department Information Technology Security Risk Assessment
Mandated by section 282.318(4)2(c) F.S.

The scope of this review included actions taken by the Department to address the 2014 Risk Assessment compliance with chapter 71 A-1 Florida Administrative Code (F.A.C.). In November 2013, we reviewed the 2013 Department Information Security Risk Assessment and verified the Departments reported status of IT security controls in place.

Results of Review: Since the 2013 Gap Analysis was conducted, improvements were noted in the areas of confidential and exempt information, security awareness training, change management, and passwords. According to the Security Risk Assessment, additional efforts regarding disaster recovery are in the planning stage and are expected mid-year. Further, we compared the Departments 2014 Security Risk Assessment to DEP Directive 390 and based on this review, DEP Directive 390 complies with requirements outlined in chapter 71 A-1 F.A.C. With the exception of disaster recovery efforts currently in planning stages, Department security processes comply with chapter 71 A-1 F.A.C.

Recommendations: There were no findings or recommendations.

A-1415DEP-023: Audit of Okaloosa County Household Hazardous Waste Cooperative Grant

The scope included a review of Grant expenditures and reimbursement requests received by the Department, Division of Waste Management (Division) regarding the Okaloosa County Household Hazardous Waste Cooperative Grant for Grant Agreement S0662, FY 2013-2014.

Results of Audit: (1) The salary reimbursements reviewed did not include approved timesheets, nor did it provide direction as to which employees were paid, the amount of hours worked, or tasks completed/reimbursed. The handwritten documentation provided, splitting/dividing Okaloosa County salaries among three of the nine neighboring counties, could not be confirmed for accuracy. Based on the remaining dollar amount available for each neighboring county, the Recycling Coordinator determined reimbursement for salaries and fringe benefits.

(2) Based on our review of Grant expenditures, two expenditures were dated in June 2013; prior to the Grant Agreement beginning date of July 1, 2014. The first invoice dated July 8, 2013, included recycling personal computers, monitors, fax machines, copiers, and televisions during June 2013. The amount submitted, and reimbursed, was \$730.00. The second invoice submitted was a utility bill for service provided June 9, 2013 to July 9, 2013 for \$190.21. The utility bill reimbursement should have been prorated to the Agreement date of July 1, 2013, and the eligible amount of \$57.06 submitted for reimbursement. The ineligible reimbursements totaled \$863.15.

Recommendation: (1) We recommended the Division require accurate and complete documentation for salaries and fringe benefit reimbursements prior to invoice approval.

(2) We recommended the Division ensure that reimbursements only include eligible amounts for work performed in the Grant Agreement period. Invoices submitted for reimbursement must comply with the Grant Agreement’s beginning and ending dates. As such, some invoices may need to be prorated to comply with the current Grant Agreement. The Division should seek either reimbursement or current Grant adjustment for the \$863.15 out of period expenses.

Action Taken: (1) The Division will require the County to include approved timesheets, which include sufficient detail in order to accurately attribute salaries to the specific task performed.

(2) The Division will inform the County of the finding and our intent to adjust the current reimbursement request to recover the ineligible reimbursement amount. Additionally, the Division will meet with Grant staff to discuss the reimbursement review process to ensure that ineligible expenses are identified and disallowed during future reviews.

A-1415DEP-024: Review of Guana Tolomato Matanzas National Estuarine Research Reserve

The scope of this review included the activities, funding, and expenditures associated with the Florida Coastal Office’s Guana Tolomato Matanzas National Estuarine Research Reserve (NERR) during FY 2013-2014. The scope also included the activities, revenue, and expenditures related to the Friends of the Guana Tolomato Matanzas Reserve, Inc., Citizen Support Organization (CSO) in FY 2013-2014.

Results of Review: (1) According to interviews with CSO Officers, the CSO’s Bookkeeper collects donations from the donation box in the Guana Tolomato Matanzas NERR visitor center and deposits the

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collections. The Bookkeeper is also responsible for journalizing revenue transactions into the CSO’s QuickBooks accounting system. According to interviews with CSO Officers, the CSO Bookkeeper is able to write and sign checks up to a threshold amount. By not separating the duties of cash collection, check writing, and journalizing, the CSO is not able to provide sufficient financial oversight. Further, by not separating duties, the CSO is at risk of theft or loss.

Recommendation: (1) We recommended the CSO establish a separation of duties with respect to cash collection, check writing, and journalizing. We also recommended that collections from the donation box be counted with Guana Tolomato Matanzas NERR staff when collections from honor boxes are counted.

Action Taken: The Friends of the Guana Tolomato Matanzas Reserve (501)(c) (3), CSO established a separation of duties with respect to cash collection, deposits, check writing, and journalizing, and that collections from the donation box be counted with Guana Tolomato Matanzas NERR staff. At present, the CSO does not have the budget to support hiring a second staff member to enable the separation of duties as recommended. However, Guana Tolomato Matanzas NERR staff will begin reconciling grant accounts and revenues with the CSO employee who currently performs these tasks. This will provide a second individual to assist in ensuring the accuracy of these accounts. Guana Tolomato Matanzas NERR will work with the other two Florida Reserves and other Florida Coastal Office staff/locations to develop and implement a CSO handbook. This handbook, in part, will address the separation of duties for cash handling and documentation. We believe that all of these practices will provide the necessary backup procedures to satisfactorily reduce the chance of theft or loss during the CSO cash collection, check writing, and journalizing procedures.

A-1415DEP-025: Audit of Alachua County Cleanup Program

The scope of this audit of Alachua County Cleanup Program (Program) included a financial examination of Task Assignments 5 and 6 of the Contract and a performance review of Task Assignments 4, 5, and 6 beginning July 1, 2012, through December 31, 2014.

Results of Audit: Overall, the Program costs reported by the County were reasonable and allowable.

Recommendation: There were no findings or recommendations.

A-1415DEP-026: Review of the Low Score Site Initiative

The scope included a review of the Low Scored-Site Initiative site management and fieldwork practices, as well as a review of Management’s adherence to codes described in section 376.3071, F.S.

Results of Review: Based on interviews and site analysis, the Petroleum Restoration Program is operating in accordance with section 376.3071 F.S. and the Low Scored-Site Initiative Guidance.

Recommendation: There were no findings or recommendations.

A-1415DEP-027: Audit of Little Manatee River State Park

The scope of the audit included selected activities of the Little Manatee River State Park (Park) during the period of July 1, 2013, through August 30, 2014.

Results of Audit: (1) According to Park staff, at the time of our audit, a verbal agreement was in place between the Park and a nearby canoe rental vendor. Under the verbal agreement, the vendor picks up patrons on Park premises in exchange for a fee paid to the Park monthly, based on the number of patrons picked up. In addition, the vendor conducts activities on Park property outside of normal operating hours. However, the vendor has not obtained permits from the Division of Recreation and Parks (Division) to conduct these activities at the Park.

(2) For each of the Park’s fifteen active volunteers in December 2014, we requested documentation showing verifications in both the Florida Department of Law Enforcement’s Sexual Predator Registry (State) and the U.S. Department of Justice National Sexual Offender Public Website (National). The Park did not have documentation of State verifications for one of the fifteen volunteers. In addition, the Park did not have documentation of National verifications for fourteen of the fifteen volunteers.

(3) According to interviews with Park Management, a single Park staff member is responsible for collecting cash from the Park’s two honor boxes. When funds are collected, the staff member returns to the Park’s ranger station where an additional Park employee verifies the funds. According to Park Management, due to staffing limitations, an additional staff member cannot be present during the collection process. However, by having one staff member responsible for the process of cash collection, funds are exposed to the risk of loss or theft.

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Recommendation: (1) We recommended the Division discontinue the business use of the Park under the verbal agreement until a permit and/or contracted agreement has been established between the vendor and the Park. The permit or agreement should include a compensation model that requires the vendor to provide the Park with a standard business-use commission fee and visitor entrance fee for each patron entering the Park. This would include patrons who enter the Park by canoe or attend one of the vendors after-hour events held at the Park.

(2) We recommended the Park ensure it maintains documentation of verifications conducted from the Florida Department of Law Enforcement’s Sexual Predator Registry and the U.S. Department of Justice National Sexual Offender Public Website, as required in chapter 2, section 3(f) of the Division’s Operations Manual.

(3) We recommended the Park consider additional controls to safeguard funds during daily cash collections. This can be accomplished through the installation of locked canisters in each honor box that cannot be accessed until a second staff member is present to verify funds.

Action Taken: (1) The Division agreed with the recommendation and the Bureau of Operational Services is actively developing a *Short Term Vendor Permit* which will authorize a more appropriate and accountable visitor services provider relationship. Park staff will also conduct random physical observations of the vendor’s operations in the Park to justify the vendor’s reported customer detail and revenues for accuracy.

(2) The Division agreed and the Park has completed all required verifications. All files are currently up to date and all new and returning volunteer verifications will be completed in accordance with the Operations Manual, prior to the volunteer beginning work.

(3) The Division agreed with the recommendation and the Park will install a locked canister in each honor station that can accommodate one.

A-1415DEP-029: Follow-Up Review of the Friends of Fort Taylor Inc. Citizen Support

Organization at Fort Zachary Taylor State Park

The scope included activities, revenue, and expenditures related to the Fort Zachary Taylor State Park (Park) and Friends of Fort Taylor, Inc., Citizen Support Organization (CSO) for October 2012, through December 2014. This review was initiated as follow up to prior audit A-1213DEP-027, dated April 18, 2013, and to evaluate current practices.

Results of Audit: (1) During the prior audit, we found that funds from the donation box had not been retrieved and deposited into the CSO bank accounts in a timely manner. We recommended the Division of Recreation and Parks (Division) direct the CSO to create and follow a set schedule for members to retrieve donations from the donation box and make deposits in a timely manner. During the period of September 1, 2013, through November 30, 2014, \$1,609.18 was deposited from the donation box. Deposits were made in October 2013 (\$264.35), May 2014 (\$508.51), July 2014 (\$408.00), and October 2014 (\$428.32). Based on the bank statements, deposits were made several months apart, rather than by a set schedule.

(2) During the prior audit, we noted that a possible conflict of interest existed between the CSO and one of the Board Members, who owns a company used to produce CSO events. At the time, Board-meeting records showed the Board Member’s involvement in event decision-making discussions. We recommended that when purchases involve questionable relationships and arrangements with Board Members, the Park Manager should oversee the process to ensure expenditures are a benefit to the Park and in agreement with Park Management and Unit Management Plan.

Based on interviews with Park staff and 2014 meeting minutes, the CSO continues to use a CSO Board Member’s company as the primary vendor for the Haunting of Fort Taylor event. While meeting minutes do not reflect the Board Member voting on use of the vendor, the Board Member has been documented as present during discussions of the event. Based on interviews with Park Management, the CSO and primary vendor have had a long-standing agreement of a 60-40 split of event proceeds. There has been no justification of vendor costs provided to Park Management to support the agreed percentage payment.

(3) During the prior audit, we noted that publications were being used to advertise and raise funds for the CSO that did not present accurate information. We recommended the Division direct the CSO to remove

misleading statements from publications and use funds as outlined in the *Statement of Accomplishments and Goals* that is provided to the Park annually.

Based on research from this review, the Haunted Key West Fort website advertised that *each year a large portion of the proceeds go to save the Fort and last year (2013) just over \$10,000 went to help Fort Taylor*. The Friends of Fort Taylor Inc. Statement of Financial Income and Expense for 2013 shows a total of \$4,334.97 donated to the Park in 2013.

(4) During the prior audit, we noted that the CSO used funds to cover the travel cost of an out-of-state brass band for an event. During the audit, we noted that the Park Manager did not approve and made recommendations against the CSO using funds totaling \$4,000 to cover this cost. The expense was deemed an “inappropriate uses of CSO funds” and not a supported expense by Park Management. We recommended the Division work with the CSO to ensure sponsored events meet requirements outlined in the CSO agreement and Mission Statement. Additionally, we recommended that decisions regarding CSO expenditures should be made with agreement from Park Management and for helping meet the needs of the Park. Verbal discussions were held between Park Management and the CSO regarding 2014 event proposals. The Park Manager did not sign the 2014 Calendar of Events, but indicated they were verbally approved.

Recommendation: (1) We recommended the Division direct the CSO to create and follow a set schedule to retrieve donations and make deposits in a timely manner. This should be closely monitored by the Park Manager to reduce the risk of loss, damage, or theft of funds either left in the donation box or not deposited for prolonged periods.

(2) We recommended the Division direct the CSO to ensure Board Members adhere to the Friends of Fort Taylor Conflict of Interest Policy. Further, to reduce the appearance of conflict, we recommended the Division oversee purchases that involve Board Members to document detailed justification of vendor costs.

(3) We recommended the Division review all publications representing the CSO to ensure statements represent an accurate description of CSO activities and use of funds.

(4) We recommended the Division work with the CSO to ensure their sponsored events meet the requirements outlined in the CSO Agreement and Mission Statement. The CSO should provide a detailed Annual Program Plan to the Park Manager for approval. The plan should include a detailed budget of proposed costs so that the Division has assurance that decisions regarding CSO expenditures are made with agreement from Park Management and are for helping to meet the needs of the Park, as defined by Park Management and Unit Management Plan.

Action Taken: (1) The Division agreed with the follow-up audit finding. The CSO also agreed with this finding and has set a schedule to pick up the donations at least monthly and more frequently if needed. The CSO has also agreed to include a *Donation Box Report* in the monthly *Treasurers Report* to ensure compliance. The Park Manager and staff will monitor the donation box and if it needs emptying more frequently, then the CSO has agreed to address it promptly upon notification.

(2) The Division agreed with the audit finding and has directed the CSO to adhere to section 5 of the Friends of Fort Taylor Conflict of Interest Policy which states, *Friends of Fort Taylor Board Members should recuse him or herself on voting on any issue that may give the appearance of a conflict of interest. It should be noted in the minutes that the Friends of Fort Taylor member abstain from voting on issues which may have appeared to have been a conflict of interest.*

(3) The Division agreed with the audit finding. The Park Manager will monitor the CSO by reviewing all publications or web pages prior to public viewing. Any discrepancies found will be brought to the attention of the CSO for correction. The CSO has advised the Haunted Key West Fort website, where the referenced statement was made, belonged to the vendor and the website is no longer in operation.

(4) The Division agreed with the audit finding. The Division is working more closely with the CSO to provide guidance on sponsored events to ensure they meet the requirements outlined in the CSO Agreement and Mission Statement and that they are supportive of the Park’s goals. This includes the CSO providing a detailed Annual Program Plan for Park Manager approval. The Park Manager will improve communication with the CSO by providing written documentation of discussion between the Park Manager and CSO relating to events and other support activities. The Park Manager will further advise the CSO to separate CSO support activities from Battery B activities, which are two different organizations, but have many of the same members.

A-1415DEP-030: Audit of Gasparilla Island State Park

The scope of this audit included selected activities associated with the Gasparilla Island State Park (Park) between July 1, 2013, and December 31, 2014. The scope also included management oversight related to the Barrier Island Parks Society, Inc., Citizen Support Organization (CSO) between July 1, 2013 and December 31, 2014.

Results of Audit: (1) Sexual predator registry and sexual offender verifications were provided for all current volunteers serving at the Park. However, eight of the fourteen State verifications and six of the fourteen National verifications were completed one day prior to our site visit.

(2) According to interviews with Park Management, a single Park staff member is normally responsible for collecting cash from the five honor boxes. When funds are collected, the staff member returns to the Park’s administrative offices where an additional Park employee verifies the funds prior to being deposited. At the time of collection, there is not an additional staff member present to ensure all funds are collected properly. According to Park Management, due to staffing limitations, an additional staff member cannot be present during the collection process. However, by having one staff member responsible for the process of cash collection, funds are at risk of loss or theft.

(3) During the review period, the CSO provided the Park Manager with a debit card connected to the CSO’s bank account to use for Park needs. During this period, three purchases were made. Receipts were provided for two of the three purchases. Of the two receipts provided, one was for the purchase of food and drinks for a Park staff Christmas party. The remaining receipt was for purchase of batteries for Park golf carts. The transaction lacking a receipt was for a purchase made for \$34.44 at a Walmart Supercenter. According to the Park Manager, this purchase was for distilled water for the golf cart batteries. The 2014 CSO Manual section 4.10 states, *Park staff are not permitted to use CSO petty cash accounts or CSO debit cards*. Due to this recent change, the Park Manager no longer has a CSO issued debit card. The purchase of golf cart batteries and supplies is consistent with the use of funds under this section. However, the use of CSO funds for a Park staff Christmas party is questionable, regarding the direct or indirect benefit to the Park.

Recommendation: (1) We recommended that Park Management conduct verifications for new and returning volunteers prior to the volunteer serving at the Park.

(2) We recommended the Park consider additional controls to safeguard funds during daily cash collections. This can be accomplished through the installation of locked canisters in each honor box that cannot be accessed until a second staff member is present to verify funds.

(3) We recommended the Park ensure that any requests for CSO funds be used and documented for the direct or indirect benefit of the Park. All receipts should be retained to document purchases.

Action Taken: (1) The Division of Recreation and Parks (Division) agreed and the Park has completed all required verifications. All files are currently up to date and all new and returning volunteer verifications will be completed in accordance with the Operations Manual, prior to the volunteer beginning work.

(2) The Division agreed with the recommendation and the Park has been instructed to install a locked canister in each honor station that can accommodate one.

(3) The Division agreed with the recommendation. All receipts will be retained by the CSO to provide documentation of purchases. The Division is developing guidance to more clearly identify acceptable use of CSO funds for the indirect benefit to the Park.

A-1415DEP-031: Review of Activities Funded Under the Tag Fee Program

The scope of the review included activities conducted by the Delegated Air Pollution Control Programs (Local Programs) for the period beginning October 1, 2011, and ending September 20, 2014.

Results of Review: The eight Local Programs provided financial documents, including cost allocation plans, supporting the annual fiscal reports for the three years included in our review. Based on our review, expenditures included in the annual fiscal reports were generally allowable under section 320.03, F.S.

Recommendation: There were no findings or recommendations.

A-1415DEP-032: Review of Controls Regarding the Storage Tank and Petroleum Contamination Monitoring Database

The scope included a review of current Storage Tank and Petroleum Contamination Monitoring (STCM) database security and data integrity.

Results of Review: (1) According to Division of Waste Management (Division) and Office of Technology and Information Services (OTIS) staff, when employees discontinue employment, a notification is sent to Division Management for STCM account removal. Based on our review, eight administrator accounts in STCM belonged to terminated employees and contractors or to employees who had moved positions and no longer needed a STCM administrative account. In addition, some administrator accounts belonging to discontinued employees had multiple administrator roles. New procedures implemented in November 2013 were not formally written and do not capture Department contractors, employees terminated before November 2013, and employees who transfer within the Department and no longer need a STCM account.

Recommendation: (1) We recommended that OTIS work with Division Management to put in place detailed, written procedures to ensure that STCM administrative access is terminated for Department or contract staff who leave or transfer to an area where STCM administrative access is no longer required.

Action Taken: (1) The Department’s Information Security Manager has developed and communicated a written procedure that describes the notification responsibilities and the actions required to remove STCM administrative access when individuals are terminated or transfer to an area where STCM administrative access is no longer required. The procedure and supporting instructions are listed on the OTIS Content Management site.

A-1415DEP-035: Review of Voluntary Cleanup Tax Credit Application Process

The scope included Voluntary Cleanup Tax Credit (VCTC) applications and approvals awarded for the calendar year 2013.

Results of Review: Based on our review, the Division of Waste Management (Division) is generally in compliance with section 376.30781, F.S. We reviewed a sample of 11 applications from the 2013 application period, as well as the approval letters. These applications were reviewed by VCTC staff and met applicant requirements, as specified in section 376.30781, F.S. During our review, we noted that many items listed by applicants, as well as their costs, are not clearly eligible or ineligible. In these cases, the VCTC Coordinator determined the amount eligible. Based on interviews with VCTC and Division Management, there are limited levels of review over eligibility decisions.

Recommendation: We recommended the Division include additional oversight of eligible tax credits. The determinations made regarding costs eligible for tax credits should include a separation between staff reviewing the application and staff approving the review and credit determination. Determining activities integral to rehabilitation can be subjective and site specific. This process should include review and approval by Management with technical expertise on site rehabilitation.

Action Taken: The Division agreed to incorporate review by an additional member of staff with technical expertise on site rehabilitation into its Voluntary Cleanup Tax Credit Application Process.

A-1415DEP-036: Audit of the Friends of Fakahatchee, Inc., Citizen Support Organization

The scope of this audit included selected activities of the Friends of Fakahatchee, Inc., Citizen Support Organization (CSO) during the period of April 1, 2013, through March 31, 2014.

Results of Audit: Based on interviews with CSO Officers and Park staff, and review of Park and CSO documents, the CSO and Park complied with all applicable requirements.

Recommendation: There were no findings or recommendations.

A-1415DEP-040: Audit of Monroe County Compliance Contract

The scope of this audit of Monroe County Compliance Contract included an examination of Contract GC675 and its corresponding task assignments issued between July 1, 2013, and March 3, 2015. It included reviewing activities related to the compliance inspection services in the County.

Results of Audit: The facility inspection listing the Contract Manager provides to the County includes sites the facility should inspect during the current task assignment. This task assignment is normally developed a few months prior to the beginning of the fiscal year. As a result, the list may include inspections already complete at the end of the fiscal year. As a result, substitutions are a common occurrence. While it is reasonable to substitute compliance inspections not previously listed, these should be documented to justify inspection priorities and approvals.

Recommendation: We recommended the Division of Waste Management (Division) expand the annual inspection listing on the task assignment to include alternate inspections consistent with the inspection priority schedule; the County would be able to coordinate inspections in a more time and cost effective

manner. Further requests and approval for substitutions should be documented to support inspection priorities and changes in tasked sites.

Action Taken: The Division’s Permitting and Compliance Assistance Program and the South District are monitoring the request from the County for facility substitutions and then properly documenting any changes in the task assignment list. The Division appreciates the recommendation to include alternate inspections in the annual inspections listing for the next task assignment. The Division and the District Office will continue to actively monitor the issues mentioned in the report over the remainder of the contract.

A-1415DEP-050: Audit of the Friends of Little Manatee River State Park, Inc., Citizen Support

Organization

The scope of this audit included selected activities of the Friends of Little Manatee River State Park, Inc., Citizen Support Organization (CSO) during calendar year 2014 (January 1, 2014 through December 31, 2014).

Results of Audit: (1) All the responsibilities related to financial management, purchasing, and revenue controls are conducted by the CSO Treasurer. These activities are conducted with no oversight or review by other CSO Officers. In addition, documentation supporting revenue collected from fundraising events is not retained for independent review. The CSO’s Bylaws do not provide guidance on the collection of cash. Other than the Bylaws, the CSO does not maintain any written policies or procedures with respect to cash collection. By not retaining documentation supporting revenue, CSO bank deposits cannot be verified for accuracy. In addition, by not establishing a level of separation and review of cash collection, or separating the duties of collection and depositing, the CSO is exposed to the risk of loss or theft of funds.

According to Article VIII, section 7 of the CSO’s Bylaws, *All checks and disbursements shall require signatures of any two officers of the corporation.* According to the Treasurer, and based on our review, all checks were signed by only the Treasurer. The Treasurer also made CSO debit card purchases.

Documentation for these purchases is maintained, but not reviewed by other CSO Officers. By not reviewing debit card purchases, the CSO is exposed to the risk of loss or theft of funds. In addition, by not having dual signature authorization for check purchases, the CSO has no method of oversight and review of check purchases.

(2) Based on interviews with the Treasurer and Park staff, the Treasurer’s private business serves as a vendor for the CSO. In addition, the Division of Recreation and Parks (Division) is currently drafting an agreement between the Park and the Treasurer’s private business. Under this agreement, the private business would be permitted to conduct canoe rental operations within the Park. The Treasurer’s private business sells the CSO bagged ice for resale at the Park’s Ranger Station. Other CSO Officers or Park staff do not verify deliveries of ice by the Treasurer’s business to ensure that the quantity delivered agrees with invoices. On occasion, items for the Treasurer’s private business use are purchased with items for the CSO using the CSO’s debit card. According to the Treasurer, the CSO is reimbursed by the business for these items. Purchasing items for the Treasurer’s private business use poses a conflict of interests between the CSO and the Treasurer.

One of the expenditures included in our sample of the CSO’s expenditures was a purchase of two canopy tents. This purchase was made using the CSO’s debit card and was a tax-exempt purchase. According to the invoice provided by the CSO, one of the canopy tents was purchased for the Treasurer’s business. Use of the CSO’s debit card or checks to purchase items for a private business does not benefit the CSO and circumvents sales tax payments for goods by the private business. According to the Treasurer, on occasion, part of the CSO’s firewood inventory has been used to supplement the Treasurer’s private business firewood inventory. According to the Treasurer, the CSO is reimbursed for the firewood used, or the CSO’s firewood is replaced later. Other CSO Officers or Park staff do not verify the firewood used by the Treasurer’s business is accurately reimbursed or replaced.

(3) During our site visit, we observed signage at the Park’s Ranger Station advertising firewood for sale. The signage also stated the price of the firewood. According to the CSO’s Annual Program Plan submitted for 2015, part of the CSO’s activities will include “firewood sales.” The CSO does not collect sales tax for firewood sales. In addition, the CSO does not file a sales tax report with the Florida Department of Revenue. According to Department of Revenue, the CSO is required to collect and report sales tax for the sale of firewood.

Recommendation: (1) We recommended the Park ensure the CSO establishes a separation of duties and oversight with respect to revenue collection and purchasing.

(2) We recommended the Division ensure that the CSO establishes a separation between the roles of the CSO Treasurer and private vendor. The CSO should discontinue the Treasurer’s sole control over CSO finances. In addition, we recommended the Division ensure that controls are put in place that would prohibit CSO funds to be used for purchases for the personal or business use of CSO members.

(3) We recommended the Park ensure that the CSO has documented procedures in place to collect and report sales tax for the taxable items sold to the public, in accordance with the CSO Handbook. If donations are accepted, they should be presented as such and properly recorded in the CSO’s financial statements.

Action Taken: (1) The Division agreed with the recommendation and Park Management will ensure the CSO establishes a separation of duties and oversight with respect to revenue collection and purchasing.

(2) The Division and the CSO have agreed to separate the roles of the CSO Treasurer from the private vendor. The CSO will discontinue the Treasurer’s sole control over CSO finances. The CSO has agreed to establish a process for approving and reviewing purchases, which will prevent CSO funds from being used to purchase items for the personal or business use of CSO members.

(3) The Division agreed with the recommendation and Park Management will review the CSO’s documented procedures to collect and report sales tax for the taxable items sold to the public, as required by the Department of Revenue. When donations are accepted, they will be presented as such and properly recorded in the CSO’s financial statements. Signs have been changed to reflect that firewood is available for donations.

A-1415DEP-052: Audit of Sarasota County Cleanup Contract

The scope of this audit of Sarasota County Cleanup Contract included a financial examination and performance review of Task Assignments 5 and 6 of the Contract beginning July 1, 2013, through March 31, 2015.

Results of Audit: The County documented program costs that supported amounts reported in the Year End Financial Statement, and were reasonable and allowable according to the contract. The County generally complied with Contract Standards based on reviews of expenditures, management of site activity, and STCM and OCULUS standards.

Recommendation: There were no findings or recommendations.

V-1314DEP-055: Review of Department Suncom Long Distance Monitoring

The scope of this review included the Department SUNCOM long distance call detail and monitoring practices for February 2014.

Results of Review: (1) According to Department Directive 820, each Director will develop a procedure to monitor and audit telephone use to prevent fraud and abuse. Personal calls should be identified and reimbursed to the Department. Based on our review of 62 Program contacts sampled, four were able to show documentation of the business reason for each of its long distance calls for the sample month, confirming personal calls were not made.

Recommendation: (1) We recommended the Department, through the Division of Administrative Services, require Division, District, and Office areas to demonstrate compliance with DEP Directive 820 and put processes in place to monitor and audit long distance telephone usage. This monitoring process should be outlined and reported to the Division of Administrative Services to demonstrate Department accountability of SUNCOM use.

Action Taken: (1) The Division of Administrative Services provided updated Directive 820, *Communications Equipment and Services Directive*, approved and executed by the Department Secretary on May 18, 2015. Updated Directive language included verbiage requiring Division/District/ Office procedures to include monthly call log identification, and reporting to Division of Administrative Services, Bureau of Finance and Accounting for review and audit. All Divisions have submitted procedures for monitoring long distance phone usage. The Bureau of Finance and Accounting will require an annual certification at the beginning of each fiscal year to demonstrate the Department’s accountability of SUNCOM use.

Internal Investigations



INTERNAL INVESTIGATIONS

The Inspector General is responsible for the management and operation of the agency’s Internal Investigations Section. This includes planning, developing and implementing an internal review system to examine and investigate allegations of misconduct on the part of the Department’s employees.

Investigations are designed to deter, prevent, and eradicate fraud, waste, mismanagement, misconduct and other abuses.

The investigative duties and responsibilities of the Inspector General, as defined in section 20.055 F.S., include:

- Conducting, supervising, and coordinating investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in the Department.
- Receiving complaints and coordinating all activities of the agency as required by the Whistle blowers Act pursuant to sections 112.3187 – 112.31895, F.S.
- Receiving and reviewing all other complaints (non-Whistle-blower’s Act), and conducting such inquiries and investigations as the Inspector General deems appropriate.
- Conducting investigations related to alleged employee misconduct or reporting expeditiously to the Florida Department of Law Enforcement or other law enforcement agencies, as deemed appropriate by the Inspector General.
- Conducting investigations and other inquiries that are free of actual or perceived impairment to the independence of the Inspector General or the staff in the OIG.
- Submitting the findings to the subject of each investigation in which the subject is a specific entity contracting with the state or an individual substantially affected, if the investigation is not confidential or otherwise exempt from disclosure by law. The subject shall be advised in writing that they may submit a written response 20 working days after receipt of the findings. The response and the Inspector General’s rebuttal, if any, must be included in the final report.
- Submitting in a timely fashion, final reports on investigations conducted by the OIG to Senior Management and applicable Departmental Management, except for Whistle-blower investigations, which are conducted and reported pursuant to section 112.3189, F.S.

ACCREDITATION

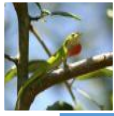
An accreditation program has long been recognized as a means of maintaining and verifying the highest standards of Investigation. The Commission for Florida Law Enforcement Accreditation (CFA) was formed in 1993, which initially was limited to law enforcement and correctional agencies. In 2009, Offices of Inspectors General were offered the opportunity to also become accredited. The CFA worked closely with Florida’s Inspectors General to develop professional standards for Florida Inspector General Investigative functions.

In August 2009, an assessment team from the CFA arrived to examine the policies, procedures, and operations of the department’s Office of Inspector General, Investigations section. The assessment team determined that all requirements of the 42 standards were complied with and accreditation status was awarded by the Commission in October 2009. Reaccreditation status was achieved in September 2012, and the Office of Inspector General, Investigations section was again evaluated in June, 2015, for its second reaccreditation. The assessment team recommended the Commission award Reaccreditation status when the department’s Office of Inspector General goes before them at the October, 2015 meeting.

Conclusions of Fact Definitions: - Final determination about allegations based on investigative activities.

- Exonerated - Alleged actions occurred, but were lawful and proper.
- Not Sustained - There is insufficient evidence to prove or disprove that a violation occurred.
- Sustained - There is sufficient evidence to justify a reasonable conclusion that the allegation is true.
- Unfounded – The allegation is proved to be false, or there is no credible evidence to support it.
- Policy Matter - The alleged actions occurred, but were not addressed by departmental policy.
- Non-Jurisdictional - Not within the jurisdiction of the Department of Environmental Protection.
- Withdrawn - The cancellation of an investigation, after agreement between Management and the Office of Inspector General that the original complaint was filed, but no longer warrants review. (Complainant requests withdrawal or is non-responsive to investigative efforts.)
- Completed - Closure for background checks, public records requests, preliminary inquiries, investigative reviews, and miscellaneous complaints that do not warrant an investigation.

TYPES OF INVESTIGATIVE ACTIVITY



Complaints

- No. of Inquiries/Complaints Received - 127
- No. of Complaints referred to Agency Management - 20
- No. of Complaints Referred to Other Entities - 19



Cases

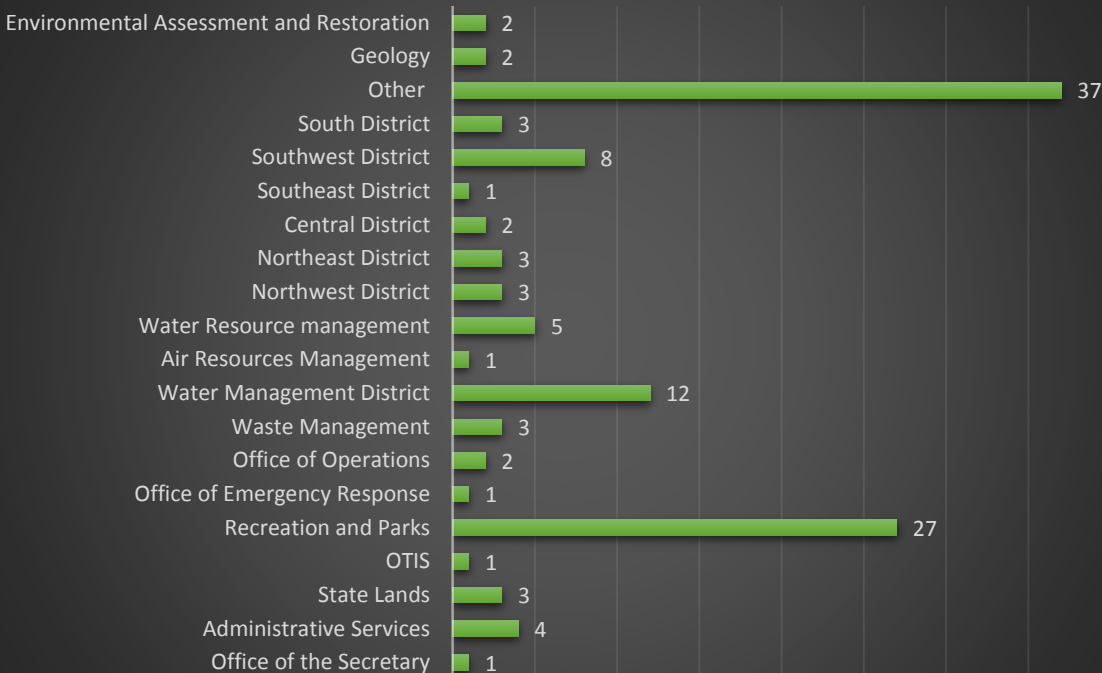
- No. of Cases Opened - 127
- No. of Cases Closed - 82
- No. of Allegations Resolved - 75
- No. of Closed Cases With Substantiated Allegations - 13
- No. of Allegations Substantiated in Closed Cases - 20
- No. of Cases Referred for Criminal Investigation - 16



Investigative Findings

- Sustained - 10
- Completed - 49
- Review Complete - 7
- Not Sustained - 3
- Unfounded - 2
- Completed - Referred to DEP Management - 20
- Completed - Referred to Outside Agency - 19
- Exonerated - 2
- Non-Jurisdictional - 7
- Withdrawn - 2

Types of Investigative Activity per Division



■ Types of Investigative Activity per Division

INVESTIGATIVE CASE SUMMARIES

2014-045 - A complaint was received alleging a violation of DEP Directive 436, Retaliation/Creating a Hostile Work Environment. Testimonial evidence did not meet the criteria of retaliation or creating a hostile work environment; however, it did support the violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee. Based on information gathered during the investigation and a review of documents, the allegation was sustained.

2014-051 - A complaint was received alleging a violation of DEP Directive 436, 3(e), Discrimination and Harassment/Creating a Hostile Work Environment. Based on information gathered during this investigation and a review of documents, the allegation was not sustained.

2014-082 - A complaint was received alleging a violation of DEP Directive 436, 3(e), Creating a Hostile Work Environment. However, during the investigation it was determined the governing directives for the allegations more specifically violated DEP Directive 435, 10(e), Violation of Law or Department Rules, and DEP Directive 435, 10(f)(1), Conduct Unbecoming a Public Employee. Based on the evidence and information gathered during this investigation, both allegations were sustained.

2014-023 - A complaint was received alleging a violation of DEP Directive 435, 10(e), Violation of Law or Department Rules. As the result of interviews and a review of documents, the allegation was not sustained. A violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee, was also alleged. Through interviews and written documentation, the allegation was sustained. The final allegation for this complaint was for an additional violation of DEP Directive 435, 10(e), Violation of Law or Department Rules. There was no evidence to support this allegation; therefore, the subject was exonerated.

2014-027 - A complaint was received alleging misappropriation of State funds and improper storage of state property. There was no evidence to support these allegations; therefore, the subject was exonerated. There was also an allegation of the subject carrying State property on vacation. The subject admitted to this allegation; therefore, the finding was sustained. The complaint also alleged a violation of using items for personal use that were purchased with State funds. Information gathered showed the subject did use items purchased with State funds for personal use; however, this investigation found no policy or

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regulations that prohibited such acts. Therefore, the finding was a policy matter. There was also an allegation of misconduct and misappropriation of State property. The investigation found no tangible evidence to prove or disprove these allegations; therefore, the allegation was not sustained.

2014-083 - A complaint was received alleging a violation of DEP Directive 436, 3(e), Discrimination and Harassment/Creating a Hostile Work Environment. Based on the inconsistencies in the testimony, this allegation was unfounded.

2014-110 - A complaint was received alleging a violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee, for two separate subjects. The first subject was exonerated, as there was no evidence to support the allegations. The second subject's allegation was not sustained as the evidence was inconclusive.

2014-120 - A complaint was received alleging a violation of DEP Directive 436, 3(e), Discrimination and Harassment/Creating a Hostile Work Environment. Based on the information gathered, there was sufficient evidence that indicated the subject violated the directive and the allegation was sustained.

2014-130 - A complaint was received alleging a violation of DEP Directive 436, 3(j), Discrimination and Harassment. There was sufficient evidence to support the allegation; therefore, it was sustained. A violation of DEP Directive 435, 10(d), Insubordination was also alleged. The investigation determined the subject violated the directive and the allegation was sustained. The complaint also alleged a violation of DEP Directive 290, d(6)(c), Internal Investigations Standards and Procedures/Responsibility. Due to the subject providing false evidence during their sworn testimony, the allegation was sustained. The final allegation for this complaint was a violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee. Based on testimonies during the investigation, the allegation was sustained.

2014-073 - A complaint was received alleging a violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee. Based on information obtained during the investigation and evidence, the allegation was sustained.

2014-094 - A complaint was received alleging a violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee. Based on the evidence obtained during the investigation, the allegation was sustained.

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2015-007 - A complaint was received alleging a violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee, and DEP Directive 436, 3(e), Discrimination and Harassment/Creating a Hostile Work Environment. There was sufficient evidence to support both allegations; therefore, both were sustained.

2014-112 - A complaint was received alleging violation of DEP Directive 436, 3(e), Discrimination, and an allegation of violating the Florida Administrative Code 60L-35.003(2)(d) Minimum Requirements. There was no evidence to support the allegation of Discrimination; therefore, the finding was not sustained. The second allegation was sustained, as the subject failed to follow the rules governed by the Florida Administrative Code.

2015-030 - A complaint was received alleging violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee. Based on interviews conducted and no credible evidence to support the allegation, it was unfounded.

2015-013 - A complaint was received alleging multiple violations against one employee and one violation against a second employee. For employee #1, the investigation found no substantive basis to support the allegations; therefore, they were unfounded or not sustained. The allegation for employee #2 was for violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee. There were no independent witnesses to corroborate the allegation. Therefore, the allegation was unfounded.

2015-032 - A complaint was received alleging violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee, and DEP Directive 435, 10(d), Insubordination. Based on the information gathered and the preponderance of evidence for both allegations, they were sustained.

2015-027 - A complaint was received alleging violation of DEP Directive 435, 10(f), Conduct Unbecoming a Public Employee, and DEP Directive 435, 10(e), Violation of Law or Department Rules. Based on the information gathered and sufficient evidence for both allegations, they were sustained.

Report
Fraud, Waste & Abuse



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