

Office of Inspector General Annual Report Fiscal Year 2016-2017



Candace M. Fuller
Inspector General

Noah Valenstein
Secretary



Florida Department of Environmental Protection

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3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Rick Scott
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Carlos Lopez-Cantera
Lt. Governor

Noah Valenstein
Secretary

September 26, 2017

Noah Valenstein, Secretary
Department of Environmental Protection
3900 Commonwealth Boulevard
Tallahassee, FL 32399-3000

Eric Miller, Chief Inspector General
Executive Office of the Governor
The Capitol
Tallahassee, FL 32399-0001

Dear Secretary Valenstein and Chief Inspector General Miller:

I am pleased to present the Annual Report for the Office of Inspector General for Fiscal Year 2016-2017. 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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Candie M. Fuller".

Candie M. Fuller
Inspector General

CF/mr

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EXECUTIVE SUMMARY

In accordance with Section 20.055 (8), Florida Statutes, (F.S.), the Office of Inspector General (OIG) is required to complete an annual report by September 30, summarizing the activities of the office during the prior fiscal year. Consistent with these duties, the following activities demonstrate significant efforts of the Department of Environmental Protection (Department) OIG staff during Fiscal Year (FY) 2016-2017.

- ❖ Conducted ten Audits containing seventeen recommendations, which were agreed to by Management
- ❖ Conducted thirteen Management Reviews containing 21 recommendations, which were agreed to by Management
- ❖ Conducted six Consulting Services containing 14 recommendations, which were agreed to by Management
- ❖ Performed liaison and coordination activities for five external audits
- ❖ Reviewed and processed 235 Single Audit Reports
- ❖ Opened 136 cases
- ❖ Closed 118 cases, with ten of those cases containing substantiated allegations
- ❖ Assisted the Office of the Chief Inspector General with multiple projects
- ❖ Conducted two Fraud Deterrence Trainings across the State

DEPARTMENT BACKGROUND

The Florida Department of Environmental Protection is one of the more diverse agencies in State government. More than 3,500 Department employees serve the people of Florida. In addition to protecting the State’s air and water quality and ensuring proper waste management, the Department is responsible for managing State Parks, recreational trails, and other areas for outdoor activities. The Department’s vision is, *creating strong community partnerships, safeguarding Florida’s natural resources and enhancing its ecosystems.*

PURPOSE OF ANNUAL REPORT

This report, required by Section 20.055, (8) F.S., summarizes the activities and accomplishments of the OIG, during FY 2016-2017. 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 the Department’s 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 within the Department. The OIG conducts independent and objective audits, reviews and investigations of Department issues and Programs, in order to assist in protecting, conserving, and managing Florida’s environmental and natural resources. Audits, reviews and investigations are informative, logical, supported, and timely regarding issues and matters of importance to the Department.

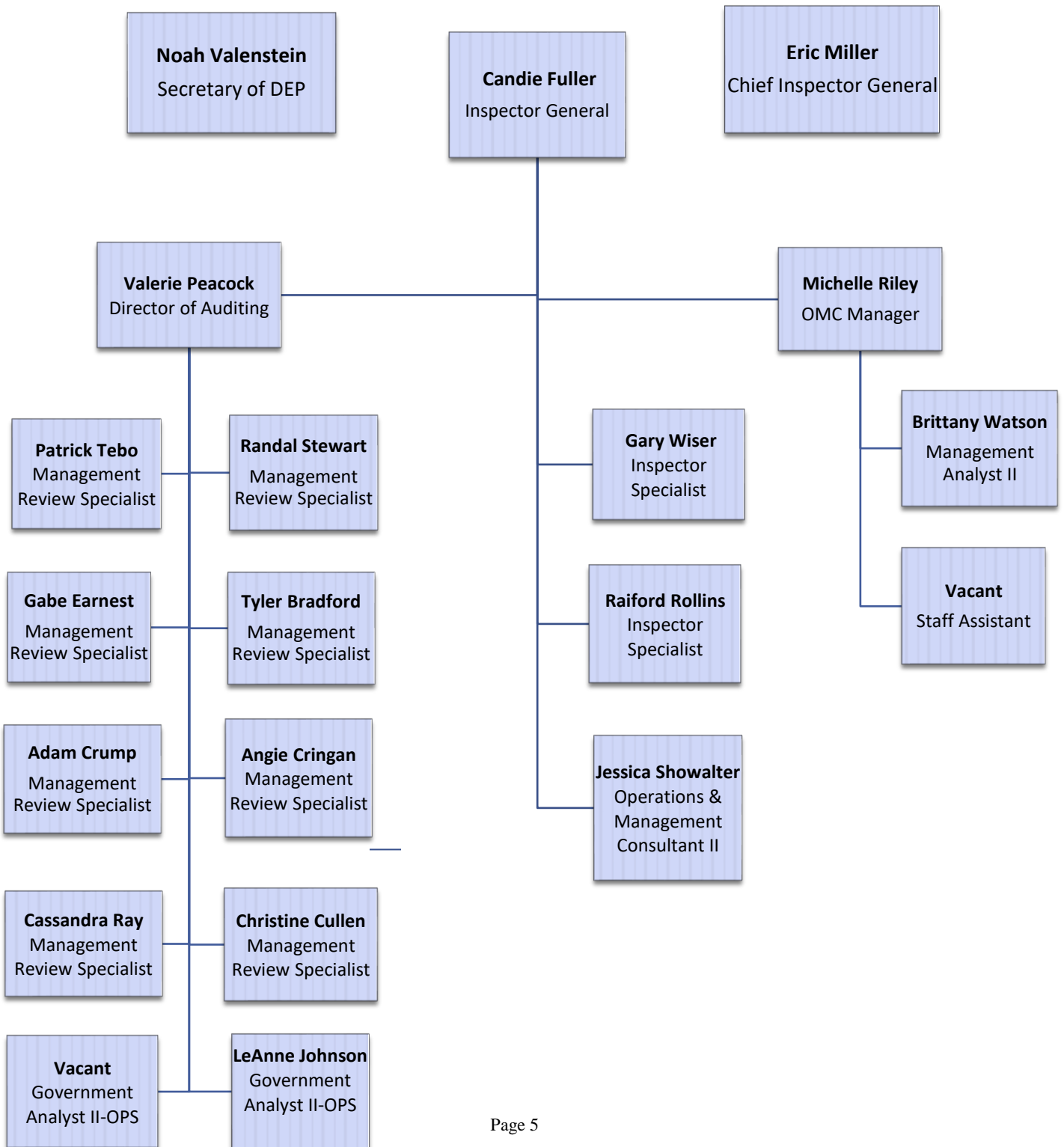
Additionally, in an effort to assist other offices throughout the year, the OIG assisted the Office of the Chief Inspector General with multiple projects, which included a Follow-up Review of Enterprise Assessment of Single Audit Act Activities.

DUTIES AND RESPONSIBILITIES OF THE INSPECTOR GENERAL

- ❖ Advise in the development of performance measures, standards, and procedures for evaluating Department Programs, assess the reliability and validity of performance measures, and make recommendations for improvement
- ❖ Review the actions taken by the Department 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 the Department’s operations
- ❖ Conduct, supervise, and coordinate other activities to promote economy and efficiency and activities designed to prevent and detect fraud and abuse in the Department
- ❖ Keep the Secretary and Chief Inspector General 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 Department rules and make recommendations relating to their impact
- ❖ Ensure that 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, 2017, the OIG consisted of eighteen budgeted positions. This included sixteen full-time employees and two Other Personal Services (OPS) positions. The distribution of the OIG positions is described in the below chart:



PROFESSIONAL TRAINING



During 2016-2017, staff received the benefit from trainings which included current audit issues, ethics, fraud detection, network security, contract and grant management, report writing, risk management and investigative techniques. The opportunities were afforded through trainings sponsored by the Institute of Internal Auditors, Association of Inspectors General, Association of Certified Fraud Examiners, and various State agencies, including Florida Department of Financial Services.

PROFESSIONAL QUALIFICATIONS AND AFFILIATIONS



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Staff within the OIG are highly qualified and brings a diversity of background experience and expertise to the Department. Staff have experience in auditing, accounting, Program evaluation and monitoring, budgeting, personnel management, investigations, grant administration, and local and State agencies’ activities. OIG staff continually seek to enhance their abilities and contributions to the office and the Department. Many staff members have obtained certifications that demonstrate their knowledge, motivation, and commitment to the profession. Professional certifications held by OIG staff include:

- ❖ Certified Inspector General (1)
- ❖ Certified Inspector General Auditor (1)
- ❖ Certified Inspector General Investigator (3)
- ❖ Certified Internal Auditor (2)
- ❖ Certified Fraud Examiner (1)
- ❖ Certified in Risk Management Assurance (2)
- ❖ Certified Government Auditing Professional (1)

The OIG is affiliated with the following professional organizations:

- ❖ Association of Certified Fraud Examiners
- ❖ Institute of Internal Auditors
- ❖ National Association of Inspectors General
- ❖ Florida Chapter of the Association of Inspectors General
- ❖ Association of Government Accountants

INTERNAL AUDIT SECTION



The authority of the Internal Audit Section is established under Section 20.055, F.S., and Directive 260. The responsibility of the Internal Audit Section is to promote accountability, integrity, and efficiency in the Department. The Inspector General reports to the Chief Inspector General and maintains organizational independence of the internal audit activity. 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, directives, policies, or agreements. Internal controls are evaluated as necessary to assist with Department fiscal accountability.

The Director of Auditing coordinates the development of an Annual Audit Plan, which identifies areas within the Department scheduled for review, using risk assessment criteria. 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 Internal Audit Section conducts a 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 2017-2018 Annual Audit Plan includes projects pertaining to Park operations, Petroleum Restoration

Program contracts and expenditures, Water Facilities Funding, Waste Management, and Water Policy and Ecosystems Restoration Programs. Additionally, administrative and information technology functions, and participation in multi-agency Enterprise-wide audit projects were included in the Annual Audit Plan. The Department’s Inspector General and Secretary approved the FY 2017-2018 Annual Audit Plan.

Audits are conducted in conformance with the Code of Ethics and the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Where appropriate, the Internal 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 Internal 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.

The Internal Audit Section provides a variety of services in addition to traditional audits. These include, but are not limited to, investigative assistance, reviews, research, technical assistance, management advisory 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 Internal Audit Section assists the Department 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 Internal Audit Section reports on the status of the recommendations included in these reports, as required by Section 20.055, F.S. As the Department’s representative on audit-related issues, the Internal 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.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM



**QUALITY
ASSURANCE**

The Internal Audit Section has established quality assurance processes in conformance with the *International Standards for the Professional Practice of Internal Auditing* (Standards). This includes both internal and external quality assurance assessments of internal audit activities. Ongoing monitoring is an integral part of the supervision, review, and measurement of internal audit activities. Continuous monitoring activities have been established through engagement planning, supervision, and review, as well as standardized procedures and approvals. An internal assessment of the Internal Audit Section is conducted by the Audit Director annually. The internal assessment is submitted to the Inspector General for review and approval. An external assessment of the Internal Audit Section is conducted by the Auditor General in accordance with Section 11.45(2)(i), F.S., once every three years.

We conducted an internal assessment of the Internal Audit Section activities during FY 2016-2017 to evaluate conformance with the Code of Ethics and the Standards. An update to the Standards was published by the Institute of Internal Auditors as of January 2017. Our procedures and internal audit activities were updated consistent with the January 2017 revision. Based on the internal assessment results, during FY 2016-2017, the Internal Audit Section has fully implemented requirements specified under the Standards.

The most recent external Quality Assurance Review of the Internal Audit Section by the Auditor General was conducted November 2015 (Report 2016-037). The reported results stated, *in our opinion, the quality assurance program related to the Office of Inspector General’s internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance to applicable*

professional auditing standards. Also, the Office of Inspector General generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies’ offices of inspectors general internal audit activities.

FEDERAL AND STATE SINGLE AUDIT ACT RESPONSIBILITIES

The Department 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 the Department’s relationship with these entities, the OIG provided technical assistance to support and improve the operations of those entities.

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 \$750,000 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.

Federal pass-through grants administered by the Department are subject to Office of Management and Budget 2 CFR 200 Uniform Guidance requirements, provided the entity has expended \$750,000 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 2 CFR 200 Uniform Guidance. During FY 2016-2017, our office reviewed 235 single audit reports.

AUDIT WORK PLANS AND RISK ASSESSMENTS



The OIG conducts an annual risk assessment in the development of the Annual Audit Plan. This assessment is based on Program responsibilities, key areas of risk, budgets, management of contracts and grants, past audit activity, staffing levels, and internal control structure. Discussions are held with Department leadership team members, Division Directors, and other management staff to identify areas of risk and concern to Managers. In conducting the risk assessment, the OIG evaluates risk factors of Department Programs and functions to access the associated risks of operating those Programs and functions.

Factors considered in the assessment 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
- ❖ identified areas of internal control concern or susceptibility to fraud

Program and function areas of risk are evaluated based upon these factors, then prioritized to determine the most efficient audit schedule, given the resources available.

PRIOR YEAR AUDIT FOLLOW UP

The OIG monitored the implementation of prior audit findings six months after completion, and on a bi-annual basis. Of the thirty-nine internal projects reported in FY 2015-2016 Annual Report, twenty-nine had recommendations that were fully implemented as of the end of FY 2016-2017 and ten had no recommendations. The

Auditor General issued Report 2016-166, Surplus Computer Hard Drive Disposal Processes, which included two findings. Corrective Action has been implemented on the following recommendations made by the Auditor General Report:

- ❖ Department management should take steps to improve documentation of surplus computer hard drive sanitization and disposition to better demonstrate that appropriate actions were taken to prevent inappropriate or unauthorized access to confidential or exempt information.
- ❖ Department management should take steps to improve security controls related to surplus computer hard drive disposal processes to better ensure the continued protection of confidential and exempt information.

PERFORMANCE MEASURES



In accordance with Section 20.055 (2) (b), F.S., the OIG assessed the performance measures for inclusion in the 2017-2018 Long Range Program Plan.

The Department proposed one new and one revised measure in September 2015 for the FY 2016-2017 Long Range Program Plan. On June 3, 2016, the Executive Office of the Governor provided approval for the current measures, incorporating the two measure changes. Of the 21 performance measures included in the 2017-2018 Long Range Program Plan, 19 were measures that had previously been reviewed and determined to be valid and reliable. We assessed the revised and new measure focusing on processes, timeframes, data sources, and documentation used in calculating and reporting the measures. Based on the data sources and methodology presented for the revised measure, the measure is valid and reliable. For the Department’s new measure, our review determined that the overall framework provides a reporting instrument considered valid for the measure. However, Program management was unable to provide statistical results that would demonstrate a recalculation of the reported measure to verify reliability. We recommended the Division ensure that reported water quality results are supported by verifiable source documentation that demonstrate a reliable statistical calculation of the measure for the report period.

EXTERNAL AUDITS AND REVIEWS

2017-001 Water Resource Permitting Processes

The Auditor General reviewed current water resource permitting processes and followed-up on findings noted in prior report 2014-064.

Findings:

Department records did not always evidence that Coastal Construction Control Line permitting requirements had been met prior to issuing permits or that permit processing activities had been subject to appropriate supervisory review and approval. Certain security controls related to user authentication for the Beaches and Coastal Management System and the Permitting Application system need improvement to better protect the confidentiality, integrity, and availability of Department data and information technology resources.

Recommendations:

The Auditor General recommended that Department management ensure that, prior to issuing permits, Department records evidence that all Coastal Construction Control Line permitting requirements are satisfied and the permit applications are subject to appropriate supervisory review and approval. The Auditor General also recommended that Department management strengthen certain security controls related to Beaches and Coastal Management System and Permitting Application system user authentication, to ensure the continued confidentiality, integrity, and availability of Department data and related information technology resources.

Action Taken:

The Department agreed with the recommendations and has revised the Coastal Construction Control Line Permit Application Routing Form to include a section for staff to document any permitting requirements (i.e. application information specified by rule) that are waived and an explanation as to the reason for waiving the requirement. The Department is also updating the Coastal Construction Control Line Procedures Manual

for Permit Managers to reflect the current organizational structure and electronic permitting process. Final updates to the manual were expected to be complete by the end of FY 2016-2017. However, this was delayed due to staffing changes and overlapping priorities. Completion is expected by the second quarter of FY 2017-2018. Finally, the Department has taken steps to strengthen its user authentication security controls related to the Beaches and Coastal Management System and Permitting Application system.

INTERNAL AUDIT REPORT SUMMARIES - FISCAL YEAR 2016-2017

DIVISION OF RECREATION AND PARKS

A-1516DEP-034 Audit of Nature Quest, Inc., Concession at Rainbow Springs State Park

The scope of this audit included activities of Nature Quest, Inc. Concession (Concessionaire) at Rainbow Springs State Park (Park) during the period of January 1, 2015, through December 31, 2015.

Results of Audit:

Based on our audit, the Concessionaire provided recreational equipment and visitor services per the Agreement. Required sexual predator/offender and E-Verify Employment Eligibility Verification searches were conducted at the time of our request. Requirements under the Agreement, minimum operation requirements, and minimum accounting requirements were met with the following exceptions. The point of sale register did not record tax collection or provide a daily sale summary. Receipts recorded minimal sales information and were not always provided to customers. Daily sales were written on signed Daily Income Reports included with the cash deposits. Deposits reviewed for the two sampled months were made in excess of required timeframes for 36 days. At the time of our site visit, we noted debris and weeds on rooftops, and grounds maintenance was not performed per Concessionaire Quarterly Evaluations, completed by the Park Manager. Waiver and Release of Liability Agreements were used to document

rental sales. Waivers reviewed documented multiple participants, but were typically signed by one individual.

Recommendations:

We recommended the Division ensure the Concessionaire conduct and maintains documentation of sexual predator/offender and E-Verify Employment Eligibility Verification searches for all employees at the time of hire. We also recommended improvement to revenue recordkeeping through an electronic register or other method for documentation of sales and recommended that deposits be made timely as required in the Agreement. We further recommended the Division ensure the Concessionaire conducts facilities and grounds maintenance as required. Lastly, we recommended the Division direct the Concessionaire to make the necessary changes to the Waiver and have Waiver Agreements reviewed by an attorney and/or insurance company, and be approved by the Department.

Action Taken:

The Division agreed with the recommendations. Park management ensured sexual predator/offender and E-Verify Employment Eligibility Verification searches were conducted as required. Verification of these searches is included in the Park Manager’s quarterly evaluation. The Division also directed the Concessionaire to provide receipts for all transactions, Park management worked with the Concessionaire in obtaining a new point of sale cash register that will capture all daily sales transactions to document gross sales. The Division directed the Concessionaire to make timely bank deposits, as required under the Agreement. This is currently being addressed by the Division. The Park Manager directed the Concessionaire to make the necessary facility maintenance improvements. This remains a concern and is being addressed by the Division. The Concessionaire revised Waivers to include the signatures of all participants or applicable legal guardians.

A-1516DEP-042 Audit of Little Talbot Island State Park

The scope of this audit included Little Talbot Island State Park (Park) operations during the period of July through December 2015.

Results of Audit:

For the months sampled, credit card settlement reports, deposit slips, daily worksheets, and financial session summaries recorded revenue consistently with minor discrepancies. Deposits were made timely, as required in the Operations Manual. Reported Park attendance was consistent with daily support documents. During the audit period, two tax-exempt reservations occurred during the audit period. However, copies of the customers' Consumers' Certificate of Exemption were not maintained for these transactions. For P-Card transaction sampled, Park staff had filed receipts or invoices and had completed the necessary approval form. Each purchase appeared to be related to Park operations and was signed by the cardholder. According to the firearm use logs, one Park staff member used the Park's firearms. This staff member had received the required training and had received the required Division approval for firearm use at the time. We verified possession of twenty-seven Park inventory items. During our review of P-Card purchases, we noted charges for vehicle maintenance for a vehicle that belonged to another Park. This was the result of an administrative error and was corrected during the audit. Per Park records, two of the three resident volunteers worked less than the required 20 hours per week for a total of three weeks. Additionally, sexual predator/offender searches were not conducted at the time of the volunteers' initial service.

Recommendations:

We recommended the Park ensure that copies of Consumers' Certificates of Exemption are obtained prior to or at the time of check-in, and maintained on file to document all tax-exempt transactions. We also recommended the Park ensure sexual predator/offender searches be conducted for all volunteers prior to beginning work at the Park and maintain documentation of searches in volunteer files. We further recommended the Park ensure

sufficient controls and levels of review are in place so that each resident volunteer meets and documents the minimum 20 hour volunteer service per week.

Action Taken:

The Park implemented a process to maintain tax-exempt certificates and maintains a log of transactions. The Park also established procedures to conduct and document sexual predator/offender searches for all volunteers prior to work assignment. Park management began auditing timesheets and provided documentation that volunteers worked a minimum of 20 hours.

A-1516DEP-048 Audit of Florida State Park Concessions, Inc., at Wekiwa Springs State Park

The scope of this audit included select activities at Florida State Park Concessions, Inc. (Concessionaire) at Wekiwa Springs State Park (Park) during the period of January 1, 2015, through December 31, 2015.

Results of Audit:

Based on our Audit, the Concessionaire complied with agreement requirements regarding the sale of merchandise, food, and vending, as well as equipment rentals. The Concessionaire maintained insurance policies, business licenses, and Environmental and Safety Plans as required. Reported gross sales were supported by daily sales documentation. During the two sample months, point of sale revenue collection processes were consistent with Agreement requirements; however, daily deposits were not made timely on four days. The Concessionaire had not completed required sexual predator/offender and E-Verify Employment Eligibility Verification searches for employees at the time of hire. In addition, the Concessionaire had not completed the Payment Card Industry (PCI) Data Security Standards (DSS) Self-Assessment Questionnaire as required in the Agreement.

Recommendations:

We recommended the Division work with the Concessionaire to ensure bank deposits are made, as required in the minimum accounting requirements. We also recommended the Division ensure the Concessionaire conducts and maintains documentation of sexual predator/offender and E-Verify Employment Eligibility Verification searches for all employees at the time of hire. We further recommended the Division work with the Park to clarify that the PCI DSS Self-Assessment Questionnaire is required and ensure completion by the Concessionaire.

Action Taken:

The Division agreed with the recommendations. The Park Manager directed the Concessionaire to review their procedures and documentation regarding deposits, with attention to documentation of deposits made after banking hours. The Park Manager worked with the Concessionaire to ensure their procedures include required sexual predator/offender and E-Verify Employment Eligibility Verification searches. The Park Manager will also ensure the Concessionaire completes the correct PCI DSS Self-Assessment Questionnaire, as required.

A-1617DEP-012 Audit of Stephen Foster Folk Culture Center State Park

The scope of this audit included selected activities at Stephen Foster Folk Culture Center State Park (Park) during the period of July 1, 2015, through December 31, 2016.

Results of Audit:

For the sampled months, reported revenues and amounts deposited were consistent with daily register cash, credit card settlement, and Reserve America Deposit Detail Reports. All deposits were made within five working days. For the audit period, we verified the Park had obtained valid Certificates of Sales Tax Exemption for reservations that received exemption from sales tax. Reported attendance totals were consistent with recorded amounts for the overall audit period with minor variances. From our review of Park property, we verified a sample of 20 items from the Park’s Master Property File. We

verified the Park’s three firearms were stored in a locked gun cabinet, usage logs were maintained for each firearm, and training and qualification documentation was provided for all three Park staff authorized to use firearms. Based on review of Park purchases, staff followed purchase requirements and items sampled were related to necessary Park operations. The Park maintained documentation of sexual predator/offender searches for all volunteers that was dated prior to the volunteer’s first month of service at the Park. The Park had allowed resident volunteers to sell crafts in the Craft Square, which was in conflict with the Volunteer Agreement. The Park and the Park’s Citizen Support Organization (CSO) share in the coordination, revenue, and expenses of the Florida Folk Festival (Festival). Festival tickets and permit fees paid to the Department and the apportionment of ticket net income is based on a verbal understanding between the Park and CSO, and is not specified in a written agreement. In reporting total Festival revenues, the CSO had counted expenses twice, thereby reducing amounts paid to the Department.

Recommendations:

We recommended the Division ensure that Park volunteers comply with the established Volunteer Agreement and that all merchandise sales authorized in the Park are in compliance with Chapter 62D-2, Florida Administrative Code (F.A.C.) We also recommended the Division establish a formal agreement with the CSO for the Festival specifying required approvals, terms, responsibilities, and financial reporting.

Actions Taken:

The Division agreed with the recommendations. Volunteers no longer sell crafts in the Park’s Craft Square, which is now strictly used for volunteer demonstrations of crafts. All crafts are sold through the CSO gift shop. The Division also directed the Park to work with the CSO to develop a written agreement for documentation purposes on agreed upon terms and conditions to avoid any future conflicts regarding fees and revenue distribution.

DIVISION OF WASTE MANAGEMENT

A-1516DEP-032 Review of Miami-Dade County Brownfield Delegation Agreement

The scope of the review included Miami-Dade County Brownfield Delegation Agreement (Agreement) activities between the Division of Waste (Division) and Miami-Dade County (County) during FY 2015-2016.

Results of Review:

Based on interviews with the Division’s Brownfield Program Coordinator, the Division acts as a repository for County Brownfield Designation documentation, and provides guidance to the County as necessary. The Division maintains records of Brownfield Site Rehabilitation Agreements (BSRA) executed by the County. Based on discussion with the County and Division staff, the County maintains staff, equipment, and records, as specified in the Agreement; however, the Division did not have procedures in place to obtain BSRA records from the County in a timely manner. According to the Division’s Brownfield Coordinator, the Division had not performed periodic performance reviews as required under Section 11 of the Agreement.

Recommendations:

We recommended the Division establish a process for periodic performance review of the County’s administration of the Brownfield Program, as outlined in the Agreement. We also recommended the Division establish a process to track submission of required documents, to monitor County performance and compliance with the Agreement.

Action Taken:

The Division agreed with the recommendations. Division staff have established processes for conducting performance audits and tracking submittal of required documents to monitor County performance and compliance with the Agreement.

A-1516DEP-041 Audit of Brevard County Compliance Contract GC686

The scope of this audit included activities of Brevard County (County) Compliance Contract (Agreement), conducted under Task Assignments 11 and 12 during the period of July 1, 2014, through June 30, 2015, and selected events through March 2016.

Results of Audit:

The County met all contract interim routine inspection milestones during the Task Assignments. Contract Guidance Document F, Level of Effort states, *the local program shall issue a Non-Compliance Letter within ten working days to the facility owner/operator upon discovery of non-compliance violations.* Of the 80 facilities with violations, 11 (14%) were not issued within ten working days as required. In addition, violations were not referred to the District nor was there documentation to show on-going follow-up activity. From review of monthly invoices, one payment was made for an inspection that had not been performed by the County, resulting in overpayment of \$192.96.

Recommendations:

We recommended the Division direct the County to ensure required compliance violation activities are conducted and sufficiently tracked and documented. We also recommended the Division work with districts to refine the Program Review process so that sufficient follow-up is conducted regarding areas of concern. Finally, we recommended the Division direct the County to reimburse the Department \$192.96, for the inspection paid in error.

Action Taken:

The Division agreed with the recommendations. The Division provided direction on tracking and documentation and is developing a new compliance and enforcement flow chart that will assist both the counties and the districts in implementation of the Program Review process. The Division also obtained reimbursement for the inspection error from the County.

**A-1617DEP-006 Review of Contract HW554 with Chicago Bridge & Iron
Environmental & Infrastructure, Inc.**

The scope of the review included Contract HW554 with Chicago Bridge & Iron Environmental & Infrastructure, Inc. (Contractor) invoice documentation submitted to the Bureau of Waste Cleanup (Bureau) during the period of January 2016 through September 2016.

Results of Review:

For each payment, the Bureau had received required deliverables. We found no errors in payments to the Contractor. Overall, change orders were made for documented adjustments to Task Assignment terms, most often for approved due date extensions, scope of work updates, and the adjustment of estimated costs to reflect actual costs. The 33 change orders resulted in a net decrease in payment to the Contractor of \$64,096.80. Each change order was also supported by the appropriate Task Assignment Change Order Form, Memorandum, and Work Change Directive, if necessary. Of the 16 cost estimates tested for labor costs, each included the multiplier rates and rate structure, as required in the Agreement.

Recommendation:

The review contained no findings or recommendations.

A-1617DEP-010 Audit of Sarasota County Compliance Contract GC693

The scope of the audit included Sarasota County (County) Compliance Contract activities conducted under Task Assignment 10 during the period of July 1, 2015, through June 30, 2016, and selected events through September 30, 2016.

Results of Audit:

The County met all contract routine inspection milestones during the Task Assignments. The Non-Compliance Letters (95%) were issued within ten working days as required. Regarding requirements for follow up on violations, three Significant Noncompliance B

(SNC-B) violations and 27 minor violations were not supported with required follow-up documentation in the Florida Inspection Reporting for Storage Tanks (FIRST) database.

Recommendation:

We recommended the Division direct the County to ensure review of required activities are conducted and are sufficiently tracked and documented in FIRST. Further, we recommended the District monitor unresolved violations and work with the County to determine a process for resolution of the violations within required time-frames.

Actions Taken:

The Division agreed with the recommendations and addressed tracking and documentation of activities in FIRST with the County. The District has been working with the County through monthly reviews of County performance, including review of open violations.

A-1617DEP-015 Review of Hazardous Waste Cooperative Collection Center Arrangement Grant Agreement S0836 with Jefferson County

The scope of this review included activities of the Hazardous Waste Cooperative Collection Center Arrangement Grant Agreement S0836 (Agreement) with Jefferson County (County) during the period of July 1, 2015, through June 30, 2016.

Results of Review:

County expenses were supported by invoices and were within the Agreement budget allowances, with minor discrepancies. Overall, Task 1 and Task 2 activities were performed in compliance with the Agreement. However, two Quarterly Progress Reports were not submitted to the Division, as required in the Agreement. The required Contingency Plan was provided by the County; however, site-specific Health and Safety Plans were not developed and submitted for Amnesty Day Events as required. During our review, several errors were noted in the Division’s Agreement budget documents, as well as in invoice documentation used to support approved payments to the County.

Recommendations:

We recommended the Division work with the County in the future to ensure Quarterly Progress Reports are submitted as required prior to invoice payment. We also recommended the Division verify County Site-specific Health and Safety Plans are established prior to each Amnesty Day Event. We recommended the Division take steps to ensure the accuracy of information and budget amounts included in the Agreements prior to execution. In addition, we recommended the Division ensure that information submitted by the County accurately supports activities performed under the Agreement prior to invoice payment.

Action Taken:

The Division agreed with the recommendations. Going forward, the Division will ensure prompt submission of Quarterly Progress Reports, as required under the Agreement. The Division will also verify Amnesty Day Event Health and Safety plans prior to invoice payment. The Division will take steps to improve the accuracy of Agreement budget information, and will improve verification of invoice documentation prior to payment.

A-1617DEP-023 Audit of Collier County Compliance Contract GC690

The scope of the audit included activities conducted under the Collier County (County) Compliance Contract GC690 (Contract) Task Assignment 9 during the period of July 1, 2015, through June 30, 2016, as well as selected events through December 2016.

Results of Audit:

The County met all contract interim routine inspection milestones during Task Assignment 9. Of the 20 non-compliance inspections sampled, each were for violations requiring re-inspection, and 19 had been closed. The remaining open inspection was for a violation pending correction. Of the 92 facilities included in the sample with non-compliance violations, the County had sent non-compliance letters for 45 (49%) within ten working days, as required. As of June 30, 2016, 21 of 39 (54%) open significant violations had exceeded the 90-day referral window without documented review in the

FIRST database. In addition, 73 of 153 (48%) minor violations exceeded the 180-day referral without review documented in FIRST. Although County performance during the Task Assignment exceeded timely correspondence and follow-up requirements under the Contract, we verified that the Division and District had increased review efforts since the Task Assignment period. These increased efforts have resulted in recent improvements in County performance. Accordingly, these positive steps demonstrate that the performance concerns were being positively addressed by the Division.

Recommendation:

The audit contained no findings or recommendations.

DIVISION OF AIR RESOURCE MANAGEMENT

A-1617DEP-026 Audit of Title V Program Agreement with Miami-Dade County

The scope of the audit included activities funded under the Title V Program Agreement (Agreement) with Miami-Dade County (County) during the period of July 1, 2015, through September 30, 2016.

Results of Audit:

During the audit period, we verified reimbursements were for authorized activities and costs within the Agreement budget. Hourly rates for staff invoiced by the County did not exceed the maximum hourly rates allowed. Based on interviews with County management, as well as review of Agreement related permitting and compliance activity reports and County organization charts, the staff costs included on quarterly invoices were associated with County Title V activities. Invoices for reimbursements to the County for Title V costs were supported by salary documents and timesheets. Total reimbursements during the audit period were less than amounts budgeted in the Agreement.

Recommendation:

The audit contained no findings or recommendations.

A-1617DEP-027 Audit of Activities Funded by Tag Fee Allocations to Miami-Dade County

The scope of the audit included Miami-Dade County’s (County) Local Air Pollution Control Program (Program) activities funded through tag fee allocations during the period of October 1, 2015, through September 30, 2016.

Results of Audit:

According to Section 320.03, F.S., tag fees returned to the County must be deposited into a local air pollution control program trust fund, which must be established by the County and used only for air pollution control program activities. The amount of tag fee revenue returned to the County is based on the ending balance of the Program trust fund. If the fiscal year-end unencumbered balance of the County’s Program trust fund is less than 50% of the tag fees returned to the County, the County receives 75% of the following year’s tag fees. If the Program trust fund balance exceeds 50% of tag fees returned to the County, the County receives 50% of the following year’s tag fee collections. For the fiscal year ended September 30, 2016, the County’s Statement of Changes in Fund Balance reported an ending unencumbered balance equivalent to 48.39% of the County’s tag fee revenue, entitling the County to receive 75% of tag fees collected in the following fiscal year. Based on the audit, the required local air pollution control trust fund had not been established by the County. Alternatively, tag fee revenues were deposited into the County’s general fund, which included separate accounting for Program activities through designated Program account codes. Reported Program expenditures were supported by Detailed Transaction Reports provided by the County. Reported Program salaries, fringe benefits, and Administrative Support costs were supported by staff timesheets, salary rate information, and multipliers used for fringe benefits and Administrative Support costs. Based on review of a sample of 40 direct expenditures, the County provided supporting documents for all transactions to include either receipts or County transaction detail.

Recommendation:

We recommended the Division direct the County to establish a local air pollution control trust fund, as required under Section 320.03, F.S.

Action Taken:

The Division agreed with the recommendation and will work with the County to ensure a local air pollution control trust fund is established as required.

OFFICE OF TECHNOLOGY AND INFORMATION SERVICES

A-1516DEP-038 Review of Information Technology Services Contractor Kyra Solutions, Inc. Compliance with Department Directives 390 and 422

The scope of the review included activities under purchase and task orders with Kyra Solutions, Inc. (Contractor) during FY 2015-2016.

Results of Review:

Department Directive 390 sets forth the classification of all Department Information Technology (IT) positions, including contracted IT staff, as positions of special trust requiring background checks and level 2 screenings prior to employment. Based on our review, the Office of Technology and Information Systems (OTIS) had not obtained documentation of the required checks during the review period. In addition, processes were not in place to notify the Division of Administrative Services when new Contract IT staff are hired as required under Department Directive 422. We requested background and level 2 screening documentation, as well as E-Verify Employment Eligibility Verification search documentation required under purchase orders for a listing of 40 staff from the Contractor. The documentation provided did not meet the requirements necessary to verify that the E-Verify Employment Eligibility Verification searches, background and level 2 screening searches were conducted as required.

Recommendation:

We recommended that OTIS, in coordination with the Division of Administrative Services, develop processes to ensure E-Verify Employment Eligibility Verification searches, background and level 2 screening documents are obtained, reviewed, and maintained for all Contract staff associated with Contract IT purchase orders, as required under Department Directives 390 and 422.

Action Taken:

OTIS agreed with the recommendation and worked with the Division of Administrative Services to establish processes to obtain, review, and maintain E-Verify Employment Eligibility Verification searches and background screening documentation. OTIS is working with the Contractor to ensure this information is obtained for all subcontract staff as well.

OFFICE OF OPERATIONS

A-1516DEP-022 Review of Recreational Trails Program Grant T1313 Wakulla County

The scope of the review included deliverables, financial records, and Office of Operations management oversight of the Azalea Trail Park Project (Project) for Agreement T1313 (Agreement) with Wakulla County (County) during the period of June 13, 2014, through June 13, 2016.

Results of Review:

We verified the Project had been completed in accordance with the Agreement’s Project Work Plan. We also verified the County submitted the commencement and completion documentation to the Department. All expenditures were consistent with the Project’s Work Plan. Also, planning, permitting, and design costs were within the limits provided in 62S-2.075(3) (b), Florida Administrative Code. County payments to vendors were supported by invoices and checks. However, all costs associated with County labor and equipment usage were not supported by documentation maintained by the County,

including \$3,297.74 in equipment costs and \$1,082.29 in labor costs. The unsupported labor costs resulted from the County using employee fringe benefit rates that differed from the rates included in the Agreement. We verified the Project was procured in accordance with the County’s competitive procurement requirements.

Recommendations:

We recommended the Office of Operations ensure that amounts requested for County labor include separate calculations for employee fringe benefits as listed on the Payment Request form. For additional clarification, if a specific fringe benefit rate is allowed, we recommended the amount be clearly stated in the Project Work Plan, rather than as an implied amount on the Agreement Payment Request form. We also recommended the Office of Operations include project hours, hourly rates, and fringe percentage amounts separately on the Grantee Labor Cost Schedule form for clarification in Grantee reporting. We further recommended the Office of Operations request reimbursement of \$3,297.74 for unsupported Project equipment costs from the County.

Action Taken:

The Office of Operations agreed with the recommendations and obtained reimbursement of \$3,297.74 from the County for the unsupported equipment costs. In addition, the Office of Operations was working to clarify Agreement language and the Grantee Labor Cost Schedule forms to include project hours and hourly rates.

A-1516DEP-030 Review of Construction Contract CN152 Stephen Foster Carillon Tower

The scope of the review included the Office of Operations, Bureau of Design and Construction (BDC) project management of Contract CN152 (Contract) with Ajax Building Corporation (Contractor).

Results of Review:

Based on our review, Contract disbursements were supported by the Guaranteed Maximum Price (GMP) detailed estimate of cost, Contractor receipts, invoices, Schedule

of Contract Values, and Job Cost History reports with minor discrepancies. The Owner’s Certificate of Partial Payment, Schedule of Contract Values, and Job Cost History reports with Contractor receipts and invoices were submitted monthly, requesting payment for work tasks completed throughout the Project as required. The final payment request included payment of the GMP balance, of which, \$3,498.95 was paid for contingency funds. BDC provided documented support for the amounts paid.

Recommendation:

The review contained no findings or recommendations.

A-1617DEP-003 Review of Construction Contract CN157 with Gulf Group, Inc.

The scope of the review included the Office of Operations, Bureau of Design and Construction (BDC) project management of Contract CN157 (Contract) with Gulf Group, Inc. (Contractor) during the period of February 11, 2015, through September 15, 2016.

Results of Review:

Based on our review, the Contractor completed the project as required under the Contract. BDC documented management oversight, Construction Engineering and Inspection supervision and quality control, and coordination with Florida Department of Transportation as necessary for the project. In addition, disbursements for Contract expenditures were made in accordance with the Contract and Change Order, with the exception of minor clerical errors that did not impact final payment.

Recommendation:

The review contained no findings or recommendations.

DIVISION OF WATER RESTORATION ASSISTANCE

A-1516DEP-008 Review of Town of Lee Clean Water State Revolving Fund Loan Agreement

The scope of this review included activities funded under Clean Water State Revolving Fund (CWSRF) Agreement WW893010 (Agreement) with the Town of Lee (Town).

Results of Review:

Based on our review, the funding for the Town’s wastewater system was provided as authorized under the Agreement and the project was completed. However, due to disagreements, project changes, and miscommunication between the Town and the Town’s contract Engineer, the project was overbuilt. As a result, revenues estimated from operation of the wastewater system were not expected to meet loan obligations under the Agreement. State Revolving Fund (SRF) Program staff relied on certifications provided by the Town Manager and Engineer regarding disbursement requests and planning documents. SRF Program staff performed an interim inspection, which included a verification that as-built drawings were maintained. SRF Program staff also performed a closeout inspection and reviewed proof of payment, including payment of invoices in the final disbursement request.

Recommendations:

We recommended the SRF Program staff put controls in place to provide closer independent project oversight, especially during the planning phase when cost projections are estimated and systems are designed. Going forward, we recommended SRF Program staff conduct independent analysis of planning documentation for assurance that debt obligations can reasonably be met. Lastly, we recommended that SRF Program staff develop and implement standard procedures to verify payment of invoices of work performed under the project prior to approval of disbursement requests.

Action Taken:

The Division agreed with the recommendations. The SRF Program added staff to provide increased review of planning documentation and local governments’ ability to pay. The SRF Program has worked with the Town to identify financial assistance options.

A-1516DEP-025 Review of North Boca Raton Beach Nourishment Agreement

14PB3

The scope of the review included activities funded under the North Boca Raton Beach Nourishment Agreement 14PB3 (Agreement) between the Department and North Boca Raton Beach (City) during the period of September 2013 through May 2016.

Results of Review:

The United States Army Corps of Engineers (USACE) conducted the North Boca Raton Beach nourishment project in coordination with the City. Under the Agreement with the City, the Department contributed \$790,000 (50%) in advance for the non-federal share of funding of the project. This amount was based on original cost estimates for the project. The USACE provided a Certificate of Completion for dredging and beach placement activities dated December 26, 2014. Final project costs after construction completion had not been obtained by the City or Division as outlined in the Agreement. From the project's Final Accounting summary obtained during our review, actual costs were less than the original estimate. Since this had not been obtained, the Department's excess funding amount for the project of \$208,159.88 had not been reimbursed. Under a separate Agreement task, construction observation activities funded by the City included a Completion Certification signed by the City Project Manager, rather than a registered Professional Engineer as required under the Agreement. In addition, reimbursement for some of the activities funded under the construction observation task were not related to the task deliverables.

Recommendations:

We recommended the Division develop processes to ensure final accounting on cost share projects coordinated between local governments and the USACE are obtained. We also recommend the Division obtain reimbursement of \$208,159.88 for the Department's proportional share of non-federal construction cost excess. We further recommended the Division ensure that Certification of Completion documents are signed by a registered Professional Engineer, as required by the Agreement, prior to cost reimbursement. We

finally recommended improvements of management oversight activities to ensure payments are authorized solely for activities outlined in the task description and required in task deliverables.

Action Taken:

The Division agreed with the recommendations and obtained reimbursement for the excess funding. Processes were developed to ensure the Division obtains a final reconciliation from the USACE prior to final payment to the local sponsor in future agreements. Lastly, the Division executed a change order necessary to correct funding for task deliverables.

A-1516DEP-045 Review of Treasure Island Beach Nourishment Agreement 14PII

The scope of the review included activities funded under the Treasure Island Beach Nourishment Agreement 14PII (Agreement) between the Department and Pinellas County (County) during the period of October 2013 through December 2015.

Results of Review:

The United States Army Corps of Engineers (USACE) conducted the Treasure Island Beach nourishment project in coordination with the County. The County requested \$2,000,000 in reimbursement for the Department’s share of the estimated non-Federal cost. The County’s reimbursement request included the USACE original demand letter provided to the County in advance of the project, and the County’s advanced payment to the USACE. However, final project costs after project completion had not been obtained by the County or Division as outlined in the Agreement. From the Final Accounting summary obtained during our review, actual costs were more than the original estimate. Since the Agreement specified the amount reimbursed to the County was the maximum obligation by the Department, no additional funding was necessary. All other Agreement quarterly status reports and certificates of project completion were provided as required.

Recommendation:

We recommended the Division develop processes to ensure final accounting on cost share projects coordinated between local governments and the USACE are obtained.

Action Taken:

The Division agreed with the recommendation and has developed processes to ensure the Division obtains a final reconciliation from the USACE prior to final payment to the local sponsor in future agreements.

A-1617DEP-005 Review of State Revolving Fund Loan and Grant Agreements with the City of Opa Locka

The scope of this review included activities funded through State Revolving Fund (SRF) loan and grant agreements with the City of Opa Locka (City) between January 2015 and September 2016.

Results of Review:

During the review period, the Department disbursed \$3,469,753 to the City under four loan agreements and four grant agreements. Based on project documentation and discussions with SRF and City staff, Contracts awarded for preconstruction activities under SRF loans lacked documented compliance with Section 287.055, F.S., and exceeded prior estimated cost. Also, projects funded under SRF loan and grant agreements were not managed effectively. Payments for contract services were not made timely, resulting in contractor demobilization and incomplete projects. Project scopes included in contracts managed by the City were not consistent with SRF Grant Work Plan project scopes and descriptions. Based on review of SRF loan agreements, SRF Program documents, City Water and Sewer records and financial information, loan agreement requirements were not met. These included requirements regarding accurate records and separate accounts, annual Certifications, monitoring, prohibited free services, and collection of revenues. As of this review, all required semi-annual loan repayments had been made. However, payment of the semi-annual repayment due in October 2016 was

made over 30 days late. In addition, Miami-Dade County Water and Sewer Department (County) staff were assisting the City with its Water and Sewer billing and collection functions.

Recommendations:

We recommended the SRF Program obtain verification of required competitive procurement processes by the City prior to authorization of future disbursements. We also recommended that all contract awards going forward be independently reviewed and approved by either the Financial Emergency Board or an established independent oversight entity to ensure statutory compliance, project accountability, and transparency. We further recommended the SRF Program work in coordination with the City and the Financial Emergency Board to determine the current status of amounts outstanding to contractors for project expenses. Through the development of a conservative fiscal management process, we recommended that outstanding payments due to contractors for costs of allowable project activities be a financial priority. We recommended the SRF Program ensure contracts awarded through the City under SRF grant agreements are consistent with agreement Grant Work Plans and City contracts provided to the Department include the Request for Proposal (RFP) and contractor proposals. We further recommended these scopes be reviewed prior to disbursements to ensure grant funds are used only for activities consistent with SRF Program approved projects and as specified under the Grant Work Plan. Lastly, we recommended the SRF Program work closely with the Financial Emergency Board as well as any established formal authority overseeing the City’s finances to determine appropriate courses of action for remedies and monitoring of corrective actions.

Action Taken:

The Division agreed with the recommendations and all project sponsors are now required to submit a certification of compliance with Section 287.055, F.S. In addition, if additional construction is authorized under the loan agreements, contract awards must be consistent with work agreement work plans and be approved by the Financial Emergency

Board. The SRF Program will continue to monitor the progress of payments with the assistance of the Financial Emergency Board. The SRF Program will notify the City and will work with the Financial Emergency Board on remedies and monitoring of corrective actions.

A-1617DEP-024 Audit of the Clean Water and Drinking Water Revolving Fund Programs’ Special Purpose Financial Presentations, Selected Internal Controls, and Compliance

The scope of this audit included the Department’s Clean Water and Drinking Water Revolving Fund Programs’ financial statements for the fiscal year ended June 30, 2016.

Results of Audit:

The Department’s financial statements for the State Revolving Fund presented fairly the financial position of the Clean Water and Drinking Water Revolving Fund Programs, including the revenues, expenditures, and changes in fund balances for the fiscal year ended June 30, 2016. We noted no matters involving the Department’s internal controls over financial reporting and its operation that we considered to be significant deficiencies or material weaknesses. The results of our testing disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Recommendation:

The audit contained no findings or recommendations.

DIVISION OF ADMINISTRATIVE SERVICES

A-1617DEP-002 Review of Department Property Inventory Processes

The scope of the review included the Department’s processes related to capitalized property during the period of July 1, 2014, through December 31, 2016.

Results of Review:

Based on this review, property purchases are capitalized and added to the Master Property File. Property decals are issued to program areas for capitalized property. Of the 128 sampled recently-procured information technology items, all were added to the Master Property File within 30 days of being delivered. The Bureau of Finance and Accounting records, maintains, and updates property information in the Master Property File. In addition, the majority of sampled program areas incorporate area-specific processes, records, and location indicators to track detail property information. The Bureau of General Services administers the Department’s annual physical inventory of capitalized items recorded in the Master Property File, as required by Chapter 69I-72, F.A.C., and Directive 320. With the exception of Petroleum Tanks Cleanup, sampled program areas conducted the annual inventory using handheld barcode scanners to scan accessible items with a property barcode. Due to varying circumstances, such as weather conditions, some property items did not have property decals attached. Inventory records for those items were input manually. For Petroleum Tanks Cleanup, the inventory was documented on forms completed by either Department staff or outside contractors. From a sample of 180 property items, 165 were physically verified. For the remaining 15 sampled items, we confirmed the existence of 10. Of the 165 identified items, 24 were incorrectly recorded as being located at the program area’s previous office location. Of the 2,011 total items registered to Petroleum Tanks Cleanup, 1,893 had differing location information in the internal tracking system and Master Property File, because the Master Property File listed each item as being located at the Bob Martinez Center in Tallahassee. Of the 34 disposed surplus property items we sampled, 33 were supported by documentation required under Directive 320. All sampled surplus property items were correctly recorded as disposed in the Master Property File.

Recommendations:

We recommended the Division identify and label property items missing decals or identification as Department-owned property, establish acceptable exceptions to labeling property items, and require Property Custodians to provide justification when items are

not scanned during the annual inventory. We also recommended the Division direct Property Custodians to report all property location changes to the Division. In addition, we recommended the Division ensure all program area’s property items are updated in the Master Property File when a program area changes location. We further recommended the Division work with the Petroleum Restoration Program to revise the inventory forms to include the name and contact information of the individual who conducted the inventory. Finally, we recommended the Division ensure that the inventory records in the Petroleum Restoration Program’s internal tracking system are reconciled with the Master Property File.

Action Taken:

The Division of Administrative Services agreed with the recommendations. The Division began issuing new property labels in January 2017 and will provide listings of all manually inventoried items to each property custodian for justification. The Division will also review location changes reported during the annual inventory and work with the Petroleum Restoration Program to reconcile its internal system with the Master Property File. The Division also will revise Department Directive 320 to include labeling exceptions and require property custodians to provide justification for manually inventoried items, report non-temporary location changes, and reconcile any internal property tracking systems with the Master Property File annually. The Division of Waste Management will conduct the annual inventory of Petroleum Tanks Cleanup using barcode scanners and will no longer use paper forms to document the annual inventory.

OFFICE OF EMERGENCY RESPONSE

A-1516DEP-031 Review of Emergency Response Services Contract LE680 with SWS Environmental Services

The scope of this review included activities funded under Contract LE680 (Contract) with SWS Environmental Services (Contractor) during the period July 1, 2014, through December 31, 2015.

Results of Review:

Based on our review, invoices for two of the three sampled incidents were not submitted within sixty days of the date of the final Daily Reports, as required under the Contract. According to the Contract Revised Fee Schedule, the Contractor can charge an additional service fee of 3% for subcontractor invoices less than \$5,000. For the sampled incidents, an additional service fee of 5% was included for ten out of 26 subcontractor invoices that were less than \$5,000. This difference resulted in excess charges totaling \$32. In addition, two subcontractor invoices submitted for reimbursement included sales tax, which resulted in excess charges totaling \$27.65. During the review, we noted that vehicle rates for 3,300-gallon vacuum trucks and 4,000-gallon vacuum trucks were disproportionate in the Contract’s Revised Fee Schedule. Rates for 3,300-gallon vacuum trucks were higher than rates for 4,000-gallon vacuum trucks. We also noted that the Contract references the Contractor by one of its previous names.

Recommendations:

We recommended the Office of Emergency Response (OER) amend the Contract to clarify when a task is considered complete and establish processes to ensure the Contractor submits invoices within sixty days of task completion. We also recommended the OER direct the Contractor to ensure invoices do not include charges for tax or service fees over the specified limit per Contract requirements. We further recommended the OER direct the Contractor to reimburse the Department for tax and service fee amounts of \$59.65 (\$32.00 + 27.65) that were billed in error. In addition, we recommended OER review vehicle rates included in the Contract Revised Fee Schedule to ensure rates reflect a justifiable expectation of costs. Lastly, we recommended OER amend the Contract to accurately reference the Contractor’s legal name.

Actions Taken:

OER agreed with the recommendations and executed Amendments to the Contract, which included language, procedures, and financial consequences to clarify task completion dates and expedite the invoicing process. OER also obtained a refund from SWS

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Environmental in the amount of \$59.65 for the tax and service fee charged in error. The Contract was also amended to correct the vehicle rate discrepancy and accurately reflect the Contractor’s legal name.

INTERNAL INVESTIGATIONS



The Inspector General is responsible for the management and operation of the Department’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.

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 Department, 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 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; and

- ❖ 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.

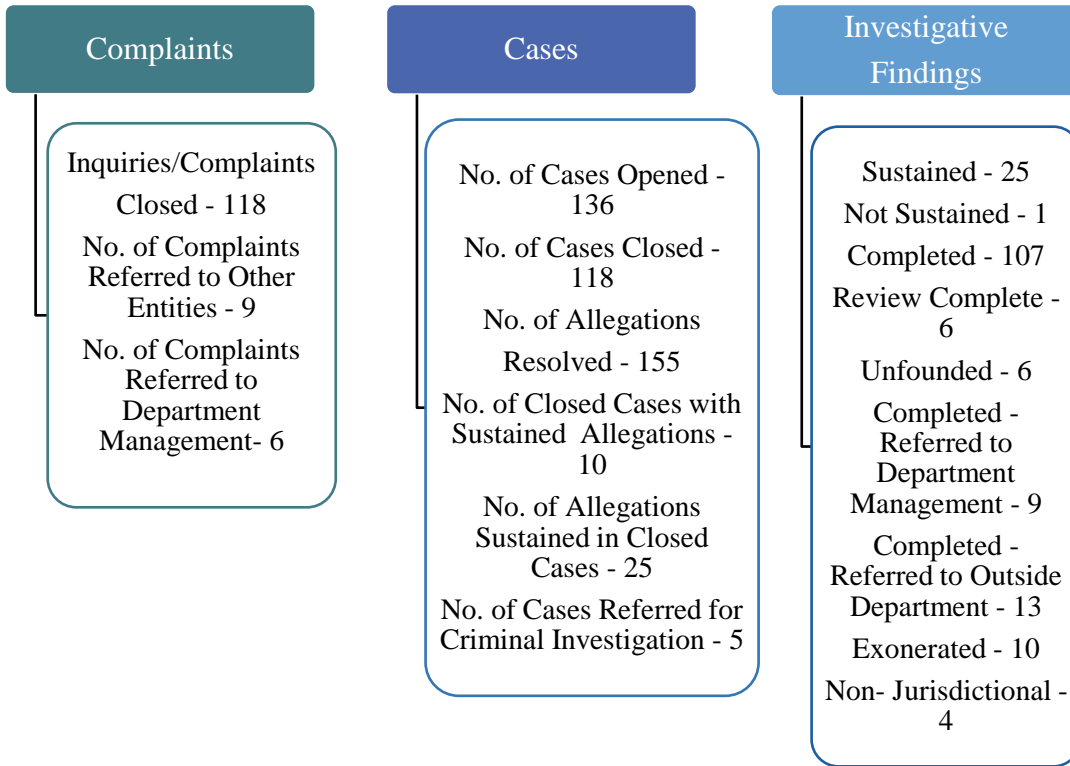
ACCREDITATION

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 (CFLA) 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 CFLA worked closely with Florida’s Inspectors General to develop professional standards for Florida Inspector General Investigative functions.

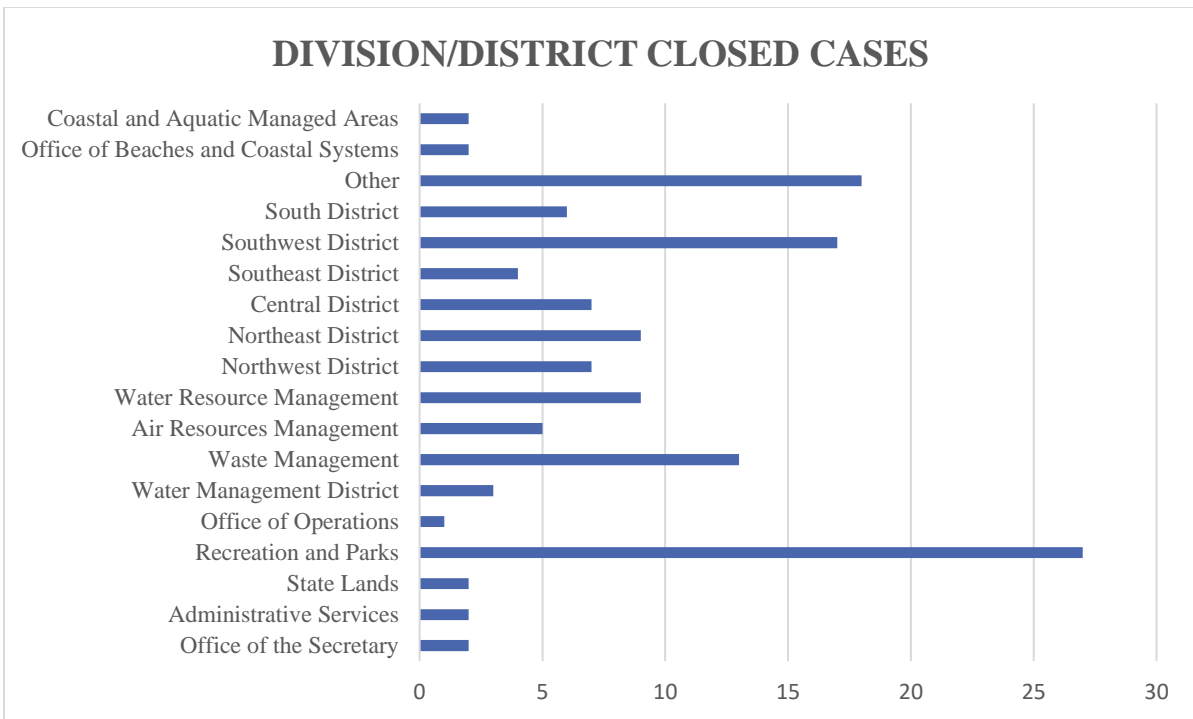
In August 2009, an assessment team from the CFLA arrived to examine the policies, procedures, and operations of the Department’s Office of Inspector General, Investigations Section. The assessment team determined that all requirements of the 42 standards were complied with and accreditation status was awarded by the Commission in October 2009. Reaccreditation status was achieved in September 2012, and again October 2015.



TYPES OF INVESTIGATIVE ACTIVITY



DIVISION/DISTRICT CLOSED CASES



INVESTIGATIVE CASE SUMMARIES

2016-030 - A complaint was received alleging a Department employee had violated numerous Department Directives, including: not paying the Park’s telephone bill, approving utility payments of some Park Rangers’ residence, failing to cooperate with a FWCC investigation that cited a landowner for using herbicide and destroying miles of vegetation, falsifying their timesheets, forging a signature on an employee’s performance evaluation, using Park vehicles for personal use, causing funding to be withdrawn due to the employee failing to follow through with a project within the allotted time period, using other staff members’ passwords to access work sites in OCULUS and FLAIR (Florida Accounting Information Resource), and purchasing new flooring and expensive refrigerators for their residence at the Park. Based on information gathered during the investigation, the following findings were concluded:

- Seven allegations were sustained
- Five allegations were completed
- One allegation was not sustained
- Two allegations were exonerated

2016-052 - Complaint received alleging sexual harassment and conduct unbecoming a public employee when an employee showed a nude photograph to another employee. Based on information gathered during the investigation, the first allegation was unfounded and the second allegation was sustained.

2016-055 - Complaint received alleging inappropriate internet usage on a State-owned cellphone. Based on interviews conducted and the evidence gathered, the finding was sustained.

2016-064 - Complaint received alleging a Department employee had exhibited violence in the workplace and conduct unbecoming a public employee. Based on evidence gathered during the investigation, the findings were sustained.

2016-065 - Complaint received alleging management and Park staff had violated numerous Department rules, including: favoritism with scheduling, intimidation/hostile work conditions, mismanagement of daily cash receipts, theft of cash, mismanagement of State resources, damaging State-owned equipment, misuse of volunteers' workforce, and lack of transparency in the selection of the ranger position. Management responded to their chain of command on many of the allegations; therefore, we referred five of the allegations back to the Division to ensure proper measures/best practices were put into place. Regarding the allegation of intimidation/hostile work conditions, this investigation found no evidence to corroborate the allegation and it was determined to be unfounded. Based on interviews conducted and evidence gathered during the investigation, the remaining two allegations were sustained.

2016-072 - Complaint received alleging management was treating staff in an unprofessional manner, including: low morale, staff being afraid to speak up in fear of retaliation, misuse of State-owned vehicles, and staff working on management's personal residence during work hours. Based on information gathered during the investigation, the findings were exonerated.

2016-073 - Complaint received alleging a volunteer had frequently been loaned employees' purchasing cards so the volunteer could purchase parts to make repairs and management had signed as reconciler on the Purchasing Card Transaction Reconciliation forms for the charges. Based on testimony and supporting evidence, the findings were sustained.

2016-075 - Complaint received regarding allegations of conduct unbecoming a public employee, specifically an employee inappropriately touched other employees and making inappropriate remarks regarding other employees' bodies. Based on information gathered during the investigation, the finding was sustained.

2016-076 - Complaint received alleging a supervisor had become agitated, scolded and verbally attacked a subordinate while at work regarding correspondence the employee had drafted and emailed. Based on evidence gathered during the investigation, the findings were sustained.

2016-088 - Complaint received alleging harassment and discrimination, specifically their supervisor was yelling, telling lies about them and treating them in a disrespectful manner. Based on interviews conducted and evidence gathered during the investigation, the findings were sustained.

2016-116 - Complaint received alleging an employee violated Department Directive 435, 10(f), Conduct Unbecoming a Public Employee when they inappropriately touched non-employees. Based on testimony and supporting evidence, the finding was sustained.

2017-002 - Complaint received alleging harassment by management. Based on testimony and evidence gathered during the investigation, the allegation was exonerated.

2017-011 - Complaint received alleging discrimination by management. Based on interviews conducted and supporting evidence, the finding was unfounded.

RECOMMENDED CORRECTIVE ACTIONS

Internal Investigations may make recommendations for the purpose of process improvement or corrective action. These recommendations are provided to Division management and are tracked to completion. A total of one recommendation was issued during FY 2016-2017 and it was agreed to and completed by management.

CONCLUSIONS OF FACT DEFINITIONS

- ❖ 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

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- ❖ 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



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