

Florida Department of Agriculture and Consumer Services  
CHARLES H. BRONSON, Commissioner  
The Capitol • Tallahassee, FL 32399-0800  
www.doacs.state.fl.us

September 9, 2009

Please Respond to:  
Office of Inspector General  
2005 Apalachee Parkway, Suite E  
Tallahassee, FL 32399-6500

The Honorable Charles H. Bronson  
Commissioner of Agriculture  
Florida Department of Agriculture  
and Consumer Services  
The Capitol, Plaza Level  
Tallahassee, Florida 32399-0810

Dear Commissioner Bronson:

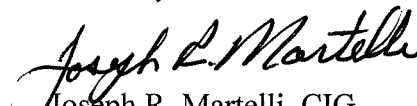
In accordance with Section 20.055(7), Florida Statutes, I am pleased to present the Annual Report for the Office of Inspector General. This Annual Report represents activities for the Audit and Investigation Sections for Fiscal Year 2008-2009.

The Internal Audit Section provided a combination of ten assurance and thirteen consulting services to Department entities. Internal audit activities focused on performance measures, the Florida State Fair, fraud data analysis and regulatory enforcement actions. The internal consulting activities primarily focused on organizational governance participation and communications impacting the accuracy, reliability, and integrity of Department information; and Technology Policy Compliance. Best auditing practices continue to be implemented to improve the efficiency and effectiveness of audit activities.

The Investigation Section engaged in investigative activity and reviews of various allegations of administrative misconduct and criminal offenses during the past fiscal year. We enhanced our investigative capability through additional training and education; including, but not limited to, instruction on electronic surveillance equipment and internal investigations. The Investigation Section continues to adhere to the highest standards for timely, accurate, and professional investigations.

Our office is committed to protecting and promoting public integrity and accountability within our Department. We appreciate your continued guidance and support.

Sincerely,

  
Joseph R. Martelli, CIG  
Inspector General

JRM/ac



**Florida Agriculture and Forest Products**  
Over \$100 Billion for Florida's Economy

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# OFFICE OF INSPECTOR GENERAL MISSION AND VISION



**Our *mission* is to protect and promote public integrity and accountability within the Department through audits that detect fraud, waste and abuse and the investigation of criminal and administrative violations.**

**Our *vision* is to enhance public trust by excelling in auditing, departmental entity accountability and internal investigations so as to achieve the highest level of customer satisfaction. Specifically, we strive to be a leader in developing a staff that is competent and innovative, and provides to executive management audit and investigative advice that is clear, objective, constructive, and timely.**

## RESPONSIBILITIES

**“The Office of Inspector General is hereby established in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government.” - Section 20.055(2), Florida Statutes**

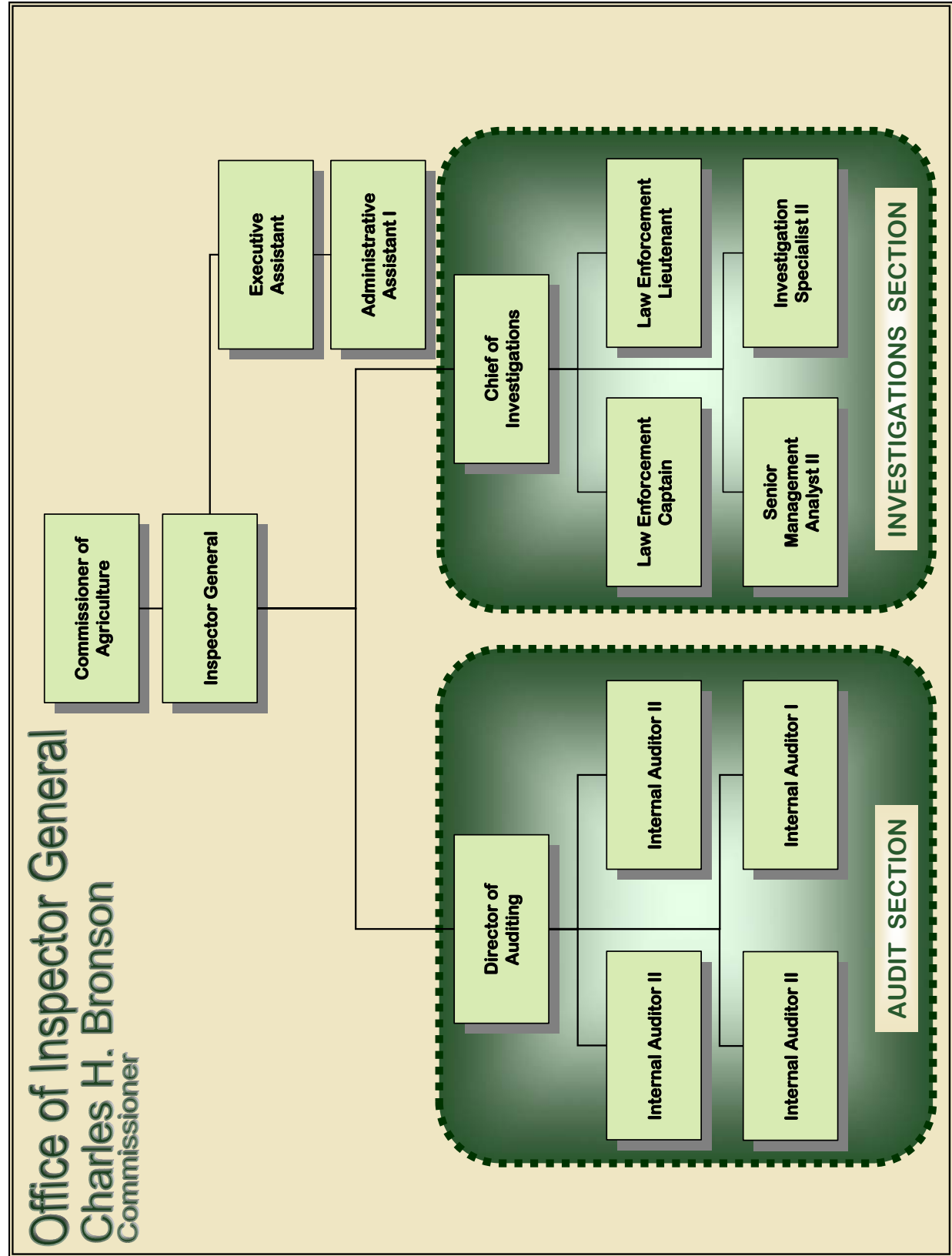
Key auditing responsibilities are:

- Assess the validity and reliability of the information provided by the Department on performance measures and standards, and make recommendations for improvement, if necessary.
- Provide direction for, supervise, and coordinate audits and management reviews relating to the programs and operations of the Department.
- Keep the Commissioner informed, recommend corrective action, and report on progress of corrective action concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the Department.
- Conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in its programs and operations.

Key investigation responsibilities are:

- Receiving complaints and coordinating all activities of the agency as required by the Whistle-blower's Act pursuant to ss. 112.3187-112.31895, Florida Statutes.
- Receiving and considering the complaints which do not meet the criteria for an investigation under the Whistle-blower's Act and conduct, supervise, or coordinate such inquiries, investigations, or reviews as the Inspector General deems appropriate.
- Conducting investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the Inspector General's office. This shall include freedom from any interference with investigations and timely access to records and other sources of information.





## TRAINING ACCOMPLISHMENTS

The Office of Inspector General has outlined in Policy and Procedure No. 2-01, Office of Inspector General Operations Manual, a training assessment plan to allow the current audit and investigation staff to maintain the ability to conduct acceptable audits and investigations and to train new employees in proper procedures and standards. Staff members utilize training resources from various organizations, agencies, local universities, and individuals.

In accordance with the *International Standards for the Professional Practice of Internal Auditing*, internal auditors are responsible for continuing education to maintain their proficiency and satisfy requirements related to professional certifications held. Audit staff members are encouraged to complete a minimum of 80 hours of audit, computer, management, and professional development training every two years in accordance with those *Auditing Standards*.

In accordance with Section 943.135, Florida Statutes, law enforcement officers are required to complete 40 hours of law enforcement related continuing education training every four years. Also, sworn law enforcement officers are required to test and qualify twice a year on assigned firearms, and are encouraged to complete a minimum of 12 hours of firearms training annually.

## AUDIT SECTION



“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes.”  
*(International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors)*

### ***Professional Standards***

Pursuant to Section 20.055(2)(j) and 20.055(5)(a), Florida Statutes, internal audit activities are performed in accordance with the *General Principles and Standards for Offices of Inspector General and International Standards for the Professional Practice of Internal Auditing* as published by the Association of Inspectors General and the Institute of Internal Auditors, respectively. Audit projects involving information technology (IT) are also conducted in accordance with *Information Systems Auditing Standards* as published by the Information Systems Audit and Control Association.

### ***Proficiency***

The professional standards referenced above require that staff (individually and collectively) possess the knowledge and skills to perform their responsibilities. A high level of proficiency has been achieved for the Audit Section (five professional staff) through education, professional certifications and other continuing professional development activities. As of June 30, 2009:

- five auditors have bachelor’s degrees;
- two auditors have master’s degrees;
- two auditors are Certified Internal Auditors (CIA);
- two auditors are Certified Information Systems Auditors (CISA);
- two auditors are Certified Public Accountants (CPA);
- one auditor is a Certified Electronic Evidence Collection Specialist; and,
- one auditor is a Certified Public Manager (CPM).

### ***Quality Assurance Program***

The Audit Section continues to implement and employ a number of internal audit best management practices such as: control self-assessment, partnering with management, increasing staff performance through the use of computer-assisted auditing techniques, developing staff professionally, maintaining IT audit staff, and providing a balanced combination of assurance and consulting services.

As part of the internal Quality Assurance Program, the Audit Section: reviewed professional standards and internal policies and procedures; participated in various training and development activities; continued to improve audit techniques, tools, and technology; was appropriately supervised; and conducted periodic interviews with management. The Audit Section also reviewed audit programs and report formats, performed internal peer reviews for the completeness of work papers, and completed quarterly reports on the status of internal audit activities.

The external Quality Assurance review performed by the Auditor General's office was scheduled for July 2009 for Fiscal Year 2008-2009.

### ***Value Added to the Department***

The Audit Section adds value to the Department in a number of ways. There is enhanced awareness of organizational governance that is achieved through several consulting services. Included in these consulting services are the Commissioner's annual memorandum, enterprise partnering activities (e.g., training, IT risk assessment, IT compliance), representation at the Information Technology Resource and Operational Steering Committees, and any ad-hoc management assistance that might be requested during the fiscal year. The Audit Section also distributes management advisories and control alerts throughout the year in order to communicate opportunities for improvements in efficiencies, effectiveness, or controls of Department programs, and performs their annual risk assessment that includes interaction with management.

In addition, there is an enterprise approach to projects where issues are identified that have an impact Department-wide rather than at the individual program level. Another way the Audit Section adds value is through improved acceptance of issues and timeliness of corrective actions, which is accomplished by focusing on significant issues and rewarding of best practices. Value is added where changes are made to improve management controls, thereby increasing the level of assurance that program objectives will be accomplished. The Audit Section also adds value by recommending changes that impact the accuracy, reliability, and integrity of information.

The Audit Section performs annual audits on select performance measures to determine the accuracy of the number being reported. Part of this audit includes a review of the Validity and Reliability statement for reasonableness. In addition, the Audit Section reviews the addition, deletion, or modification of approved measures, standards, and activities to assess the reliability and validity of information provided by the Department on performance measures and standards, and to make recommendations for improvement, if necessary.

During the Technology Policy Compliance project initiated during Fiscal Year 2008-2009, a formalized methodology to identify risks to the Department's information technology data and resources was developed. The same methodology may be deployed to the program areas to establish a consistent, formalized risk assessment methodology. The Audit Section will continue efforts to facilitate the implementation of a Department-wide risk assessment methodology. To assist in this effort, the Audit Section staff received training on Enterprise Risk Management during Fiscal Year 2008-2009.

The Audit Section is an integral enterprise control component and adds value by its oversight authority, organizational placement, and its presence in deterring wrongdoing.

### ***Fiscal Year 2008-2009 Annual Audit Plan***

The Audit Plan was approved by the Commissioner of Agriculture on July 2, 2008, and amended and approved on August 13, 2008, to add two consulting projects. The Audit Section accomplished all of the Audit Plan. Two multi-year projects will continue into Fiscal Year 2009-2010.



Internal reports are published at <http://www.doacs.state.fl.us/oig/>. External reports are published at:

- Auditor General - <http://www.myflorida.com/audgen/pages/releasedreports.htm>;
- Office of Program Policy Analysis and Government Accountability - <http://www.oppaga.state.fl.us/ReportMain.aspx>; and
- Department of Financial Services' Financial Statements - [http://www.myfloridacfo.com/aadir/statewide\\_financial\\_reporting/cafr.htm](http://www.myfloridacfo.com/aadir/statewide_financial_reporting/cafr.htm).

The following is a brief summary of projects along with issues and recommendations, if applicable.

## **INTERNAL ASSURANCE SERVICES**

Ten assurance projects were conducted during Fiscal Year 2008-2009 covering performance measures, the Florida State Fair, fraud data analysis and regulatory enforcement actions. In 33% of those projects, the Department was recognized as having implemented best management practices in select areas of risk management, controls, and governance processes.

NOTE: Enterprise Summary reports are not counted.

### ***Performance Measure Accuracy***

(Report Numbers: IA 0809:1-7, IA 0809:8 - Enterprise Summary)

The **objective** was to determine if the number reported for actual performance for Fiscal Year 2007-2008 is fairly stated.

The **scope** was the Fiscal Year 2007-2008 actual performance number reported in the Final Long Range Program Plan on the Department's Internet Site as of September 30, 2008.

**Results:** For the seven performance measures selected for Fiscal Year 2007-2008, two measures are fairly stated. For five performance measures, we could not determine if the reported number is fairly stated. For two measures, the methodology appears to be inconsistent with the intent of the performance measure. For one measure, the controls were not adequate to ensure that the inventory is timely recorded and maintained. For another measure, the Division did not have documentation to support the reported number. For the last measure, clarification of key terms in the Validity and Reliability statement will improve support for the number being reported.

**Issue:** The controls are not adequate to ensure that the inventory is timely recorded and maintained. In addition, some inventory items were left out of the reported number completely. This resulted in an inaccurate calculation. **Recommendation:** Strengthen controls to ensure that all applicable items are recorded and maintained as appropriate and ensure that they are counted towards the reported number.

**Issue:** A clear definition of what should be counted toward the output measure is not provided in the Validity and Reliability statement. **Recommendation:** Clearly define the key terms contained in the Validity and Reliability statement. Consider initiating requirements for positive reporting from all applicable parties.

**Issue:** The formula currently being used does not agree with the performance measure name. In addition, the methodology used appears to be inconsistent with the intent of the measure.

**Recommendation:** Change the formula used to calculate the reported number. Redefine key terms to align the methodology with the intent of the performance measure name.

*The following issue and recommendation was the same for the two remaining measures:*

**Issue:** The methodology appears to be inconsistent with the intent of the performance measure.

**Recommendation:** Revise the definition of key terms and the methodology used to determine the reported number.

### ***Attendance and Gate Admission Revenue - 2009 Florida State Fair***

**(Report: IA 0809-09)**

The **objective** was to audit the attendance and gate admission revenue of the 2009 Florida State Fair. This financial information is the responsibility of Florida State Fair Authority's management. Our responsibility is to express an opinion based on our audit.

The **scope** was the attendance and gate admission revenue of the 2009 Florida State Fair held during the period of February 5 - 16, 2009, including advance gate admission sales occurring prior to the fair's opening and refunds or credits made through February 28, 2009.

**Results:** The attendance of 466,733 and gate admission revenue of \$3,119,360 for the 2009 Florida State Fair is fairly stated.

### ***Fraud Data Analysis - Fuel Purchases***

**(Report: IA 0809-10)**

The **objective** was to determine if any indicators of fraudulent activities existed for fuel purchases on state issued fuel cards.

The **scope** was transactions in the Equipment Management Information System (EMIS) database and Comdata charges for fuel purchases. The time period covered was July 1, 2008 to February 28, 2009.

**Results:** The fraud data analysis could not be performed to the extent intended because policies and procedures were not being followed, impacting the accuracy and completeness of data recorded in the EMIS database. However, based on the limited review of vehicles, no indicators of fraud were found in the fuel purchases.

### ***Regulatory Enforcement Actions***

**(Report: IA 0809-11)**

The objectives of this project are to determine if regulatory enforcement actions are being taken, and if penalties and fines resulting from regulatory enforcement actions are collected, in accordance with Florida statutes, rules, and internal policies. This is a multi-year project that is focused on all regulatory program areas within the Department.

## **INTERNAL CONSULTING SERVICES**

The Audit Section participated in 13 internal consulting services during Fiscal Year 2008-2009.

### ***Office of Financial Regulation - Mortgage Professional License***

**(Report: Office of Financial Regulation – Chief Inspector General Case #200807290003)**

A task force was formed to determine if regulation of the mortgage industry by the Office of Financial Regulation adequately protected the people of the State. The Inspectors General for the Governor, the Chief Financial Officer, the Attorney General, and the Commissioner of Agriculture were each tasked with a specific area for review (Licensing, Complaint Management,

Examinations, and Investigations). The Department of Agriculture and Consumer Services' Inspector General's Office was given the responsibility of reviewing the licensing process. The review covered the period of January 2000 through February 2008, with selected actions from March 2008 through August 2008. The review focused on the criminal history portion of the licensing activities related to processing, reviewing, and decision making for mortgage professional (e.g., mortgage brokers, mortgage brokerage businesses, mortgage lenders, and correspondent mortgage lenders) applications.

### ***Organizational Governance: Maintenance of Controls during Lean Times***

**(Report: IC 0809-02)**

The Commissioner has established an annual practice of communicating governance expectations to executive and senior management, as these leaders set the framework for organizational climate. A stronger and more proactive governance structure should contribute to maintaining the Department's professionalism as its benchmark of fairness and efficiency. This project focused on communicating the importance of implementing and maintaining effective internal controls, even as resources are being diminished and budget cuts continue.

### ***Agency Information Technology Risk Assessment***

**(Report: IC 0809-03)**

This project involved gauging the maturity of the Department's Information Security Program and the identification of risk and vulnerabilities to the Department's data, information, and information technology resources. Survey questions developed and distributed by the Agency for Enterprise Information Technology, Office of Information Security, were answered by the Department's Information Security Manager. The Audit Section reviewed the responses for reasonableness.

### ***Fertilizer Tonnage Fee System***

**(Report: IC 0809-04)**

This project involved a review of the current fertilizer tonnage fee system to ensure that fertilizer tonnage reports that are filed late are assessed penalties and interest according to Florida Statutes. In addition, assistance was provided in the development of a new Laboratory Information Management System, which includes a fertilizer tonnage fee system.

### ***2008 Florida State Fair - Attendance, Midway, and Entertainment Compilations***

**(Report: IC 0809-05)**

This project involved the compilation of select financial information intended for management use only. This project is a consulting service provided on-site by the Audit Section during the annual Florida State Fair event. The Audit Section provides these services to Fair management and Department management that conducts oversight of the Florida State Fair Authority pursuant to Florida Statutes.

### ***Agricultural Best Management Practices Implementation Assurance Program***

**(Report: IC 0809-06)**

This project involved the review of the Office of Agricultural Water Policy's first Annual Report on the implementation of Agricultural BMPs to provide recommendations to improve the readability, understandability, and clarity of future reports.

***Florida Single Audit Act Training*****(Report: IC 0809-07)**

This project involved training for contract managers of state financial assistance to enhance their knowledge of the Florida Single Audit Act, with emphasis on Part Four of the Compliance Supplement. The training was provided by staff from the Division of Administration with assistance from the Office of Inspector General, the Office of Policy and Budget, and the Department of Financial Services.

***Technology Policy Compliance*****(Report: IC 0809-08)**

This project is a collaboration between the Division of Administration and the Office of Inspector General to assess compliance with select Information Technology Administrative Policies and Procedures and the project is planned to span multiple years. Management will receive periodic reports on the status of actions taken to address vulnerabilities.

***Organizational Governance - Enterprise Risk Assessment Methodology*****(Report: IC 0809-09)**

This project involved communicating the Audit Section's evaluation of the effectiveness of the Department's risk management process.

***Performance Measure Reviews - Addition, Deletion, or Modification of Approved Measures, Standards, and Activities*****(Report: IC 0809-10)**

The Audit Section reviewed the addition, deletion, or modification of approved measures, standards, and activities for Fiscal Year 2009-2010. The purpose of this review was to assess the reliability and validity of information provided by the Department on performance measures and standards, and to make recommendations for improvement, if necessary, prior to submission to the Executive Office of the Governor.

***American Recovery and Reinvestment Act*****(Report: Fieldwork in process)**

With the passage of the American Recovery and Reinvestment Act (ARRA) by the United States Congress in February 2009, transparency and accountability are at an unprecedented level so Americans know where their tax dollars are going and how they are being spent. One of the roles that may be assigned to the Inspector General is to ensure that program activities are meeting the requirements of the ARRA and the requirements for transparency and accountability. Since the passage of the ARRA, the role that has been played by the Audit Section includes monitoring guidelines from Federal agencies to determine the Inspector General's role in ensuring that program activities are meeting the requirements of the ARRA, and advising divisions that are receiving ARRA funds.

***Technology Governance Committees***

The Audit Section takes an active role in advising and consulting with Department management in the information technology area through the following activities:

- Advisory membership on the Information Technology Resource (ITR) Steering Committee;
- Advisory membership on the Operational Steering Committee; and
- Advisory membership on the Information Technology Life Cycle Review Panel.

### ***Governance Communications***

Management Advisories or Control Alerts are distributed to management communicating opportunities for improvements in efficiencies, effectiveness, or controls of Department programs, operations, or financial management. Four Management Advisories and five Control Alerts were distributed during Fiscal Year 2008-2009, which are summarized below.

### **Management Advisories**

#### **No. 1 Licensing of Applicants with Criminal Histories**

**Issue:** Licensing of applicants with criminal histories requires the establishment of controls to ensure appropriate and consistent licensing practices are followed. **Recommendation:** Ensure guidelines have been developed to assist division staff in determining whether to approve or deny licensure based on the criminal history of the applicant.

#### **No. 2 Support for Salaries and Wages for Federal Awards**

**Issue:** Absent the signed employee certifications and timesheet reports required by Office of Management and Budget (OMB) Circular A-87, the salaries and wages charged to Federal award programs are not adequately supported. **Recommendation:** Ensure the documents used to support charges of salaries or wages to Federal award programs adhere to the standards contained in OMB Circular A-87.

#### **No. 3 Data Integrity**

**Issue:** Adequate controls are not in place to ensure the accuracy of the data. **Recommendation:** Improved methods should be considered in order to provide more accurate data.

#### **No. 4 Data Accuracy**

**Issue:** Policies and procedures were not being followed, impacting the accuracy and completeness of data entered into the Equipment Management Information System (EMIS). **Recommendation:** Ensure that Administrative Policies and Procedures are adhered to. Specifically: enter vehicle information into EMIS monthly; perform monthly reconciliations of the gallons purchased from Comdata to the gallons entered into EMIS; and review and update the reports in EMIS to improve the managerial oversight activities.

### **Control Alerts**

#### **No. 1 Compliance Rates Methodology**

**Issue:** Inspections should be rated in such a way as to ensure that the determination of an entity's compliance is based on the results of a single inspection, and not at some other point such as upon initiation of enforcement actions. **Recommendations:** Evaluate the current definition and/or methodologies used to establish compliance, and make changes, as appropriate

#### **No. 2 Access Controls**

**Issue:** Without the periodic review of user access to applications, the integrity of data and resources may be compromised, increasing the risk that Department information and resources may be subject to destruction, theft, irregular disclosure, or modification. **Recommendation:** Ensure that policies and procedures regarding application access controls are adhered to. This includes performing user account reviews at least annually and maintaining proper documentation of the results of user account reviews.



### **No. 3 Revenue Collection Deposits**

**Issue:** Failure to make timely deposits or secure funds prior to deposit, increases the risk of theft, loss or misappropriation of funds. **Recommendations:** Ensure deposits are made in accordance with Section 116.01, Florida Statutes and Administrative Policies and Procedures No. 3-11, Revenue Collections. Ensure the security of funds prior to deposit. This might include restrictively endorsing checks and placing all funds in a safe or other secure location.

### **No. 4 Contract Management - Monitoring**

**Issue:** Monitoring of contracts is a planned, on-going, and periodic activity which should ensure: compliance by the vendor with agreement terms and conditions; detection of instances of non-compliance; and implementation of corrective action. **Recommendations:** Contract Managers should ensure compliance with policies and procedures and the Contract Manager's Training Manual for monitoring of contracts, which includes: verifying the vendor's performance periodically and upon completion of the contract, specifically as it relates to the scope of work and agreement of terms; documenting monitoring activities that could include performing site visits supported by photographs, and tracking payments made against the contract; and, ensuring corrective action is taken by the vendor to correct deficiencies.

### **No. 5 Federal Program Expenditures**

**Issue:** Per OMB Circular A-87, expenditures of Federal funds must be allowable and reasonable. In addition, documentation must be adequate to support all expended funds under a Federal award program. **Recommendation:** Adhere to the principles contained in OMB Circular A-87, which includes: ensuring expenses that are allowable and allocable under a particular Federal award are not included as a cost for any other Federal award and maintaining adequate documentation of costs and expenses for each Federal award.

## **EXTERNAL AUDIT/REVIEW ACTIVITIES**

The Office of Inspector General is the coordinator for external audits or reviews conducted by the Auditor General, Office of Program Policy Analysis and Government Accountability, Federal auditors, and other governmental entities. The Audit Section coordinated 17 external audits or reviews by Federal and State agencies during Fiscal Year 2008-2009.

### **Office of the Auditor General**

#### ***Financial Statements Fiscal Year Ending 06/30/08***

**(Report: Florida's Comprehensive Annual Financial Report for Fiscal Year Ending 06/30/08)**

This was an audit of the State of Florida's Basic Financial Statements to include an annual fraud inquiry, financial noncompliance disclosure, legal representation letter, management representation letter, and a reconciliation of the State Expenditures for Federal Awards.

#### ***Surplus Information Technology Property Controls – Operational Audit***

**(Report: AG 2009-083)**

This operational audit involved evaluating the effectiveness of selected State agencies' controls for the storage and safeguarding of surplus IT equipment awaiting disposal and the removal of confidential or exempt information from the electronic media before the media are made available for re-use or disposal.

**Finding No. 2:** Procedures for or performance of IT property disposal needed improvement.

**Recommendation:** To prevent access to sensitive information and software from computers, disks, or other property or media being surplus or disposed of, the Department should continue enhancing procedures to include the maintenance of logs.

***Federal Awards for Fiscal Year 2007-2008 – Plant and Animal Disease, Pest Control and Animal Care Program***

(Report: AG 2009-144)

This audit was designed to express an opinion on the State's compliance with requirements applicable to each major Federal program.

**Finding No. FA 08-001:** FDACS did not have procedures in place to obtain certifications required by OMB Circular A-87 for all salaried employees working on components of the Plant and Animal Disease, Pest Control, and Animal Care (PADPCAC) program. **Recommendation:** Ensure that certifications are obtained from all employees working solely on the PADPCAC program.

***Expenditures, Expenses, and Administrative Image Management System (AIMs) – Operational Audit***

(Report: Fieldwork in process)

This operational audit is being conducted to evaluate Department procedures and practices for expenditures, expenses, and AIMS for the period of July 1, 2007 through February 28, 2009.

***Quality Assessment Review***

(Report: Fieldwork in process)

This is a quality assessment review of the Department's Office of Inspector General to evaluate whether the quality assurance program for the internal audit activity provided reasonable assurance that the internal audit activity operates in conformity with applicable auditing standards.

***Payroll and Personnel – Operational Audit***

(Report: Fieldwork in process)

This multi-agency operational audit is being conducted to evaluate Department procedures and practices to evaluate standard payroll functions, budgetary issues, changes to payroll and other general payroll areas for the period July 1, 2007 through January 31, 2009.

***Federal Awards for Fiscal Year 2008-2009 – Child Nutrition Cluster and Plant and Animal Disease, Pest Control and Animal Care Program***

(Report: Fieldwork in process)

This audit is designed to express an opinion on the State's compliance with requirements applicable to each major Federal program.

**Office of Program Policy Analysis and Government Accountability**

***Handling of Wireless Communications (Complaints)***

(Report: OP 08-63)

This was a multi-agency survey to obtain clarification of the role of Florida agencies in resolving consumer complaints against wireless companies.

***Food Safety Program Review*****(Report: OP 08-67)**

This was an inter-agency review of the food safety programs which examined the Departments' inspections of establishments that provide food to the public. The audit was conducted to establish the primary responsibilities of Florida's food safety programs, identify possible duplication of food safety inspections, evaluate inspection frequency and methodology, and classify each program's financial self-sufficiency.

**Finding:** The Department of Agriculture and Consumer Services provides limited inspection data for the public on their website. **Recommendation:** The Department should make more inspection data available to the public via the Department's website.

**Finding:** The Department of Agriculture and Consumer Services should take additional steps to ensure their food safety program is financially self-sufficient. **Recommendation:** Monitor whether recent fee increases enable its program to become self-supporting from regulatory fees as intended by the Legislature and consider increasing revenues by raising fees for follow-up inspections.

***School District Food Service Programs Review*****(Reports: OP 09-02, 09-03, 09-04, 09-05)**

This was an inter-agency review requested by the Legislature to review financial and management issues related to the operation of school district food service programs.

***MyFloridaMarketPlace Study*****(Report: OP 09-MFMP)**

This study involved the identification of the most appropriate means of providing an enterprise-wide suite for web-based procurement services for the State of Florida in preparation for the end of the current MyFloridaMarketPlace contract.

***2008 Florida Government Accountability Report Update*****(Report: Maintained electronically)**

This was an annual update of the Department information contained on the Office of Program Policy Analysis and Government Accountability's website.

***Cable and Video Services Industry*****(Report: Fieldwork in process)**

This multi-agency review is being conducted to report on the status of competition in the cable and video services industry.

***Call Center Operations*****(Report: Fieldwork in process)**

This multi-agency review is being conducted to report on the feasibility of establishing a universal call center for all Department customer complaints and inquiries.

**Department of Financial Services*****Financial Statements Fiscal Year Ending 06/30/08*****(Report: Florida's Comprehensive Annual Financial Report for Fiscal Year Ending 06/30/08)**

This was a request for completion of the Consideration of Fraud in Financial Reporting Certification form by the Commissioner that acknowledges agency management's responsibility to

prevent and detect fraud in regards to its own agency financial information to be included in the statewide financial statements; and completion of a management representation letter relating to internal controls over statewide financial reporting.

### ***Financial Statements Fiscal Year Ending 06/30/09***

**(Report: Fieldwork in Process)**

This is a request for completion of the Consideration of Fraud in Financial Reporting Certification form by the Commissioner that acknowledges agency management's responsibility to prevent and detect fraud in regards to its own agency financial information to be included in the statewide financial statements.

## **United States Department of Agriculture (USDA)**

### ***2005 Citrus Canker Eradication Program***

**(Report: Report dated April 2009)**

This was a review conducted by the USDA of the Department's Citrus Canker Eradication Program cooperative agreement for October 2004 through September 2006. A few issues were noted regarding documentation weaknesses and unallowable expenses to the Citrus Canker program; however the staleness of the issues prevented resolution by management.

## **FOLLOW-UP**

Follow-up activities are an integral component of assurance services. Specific follow-up is performed as appropriate for findings contained in internal or external audits. Follow-up activities were performed during Fiscal Year 2008-2009 on four performance measure audits from Fiscal Year 2007-2008, one performance measure audit from Fiscal Year 2005-2006, an audit of Non-Fair Events from Fiscal Year 2005-2006, the Auditor General's Surplus Information Technology Property Controls audit, and the Auditor General's annual audit of Compliance and Internal Controls over Financial Reporting and Federal Awards for the Fiscal Year ended June 30, 2008. Management has taken appropriate actions to satisfactorily resolve the audit findings.

## **OPEN AUDIT FINDINGS FROM PRIOR ANNUAL REPORTS**

Timely analysis and appropriate corrective actions should result from any findings and recommendations made in conjunction with internal or external assurance services. Findings and recommendations have been communicated to management earlier in the audit process resulting in corrective actions prior to completion of many assurance projects. Additionally, the internal Audit Section has emphasized timeliness in corrective action plans of management and subsequent follow-up activities. As a result of management's responsiveness, all significant audit findings previously reported through the Fiscal Year 2007-2008 Annual Report have been resolved.



## INVESTIGATION SECTION

The Investigation Section conducts internal investigations of alleged administrative and criminal employee misconduct in matters relating to the Department. The complaints, which serve as grounds for an inquiry or investigation, can be received from any Department personnel, whistle-blowers, the Get-Lean hotline, business entities regulated by or doing business with the Department, and private citizens. Depending on the nature of the allegations and the evidentiary indications contained in the complaints, investigations may fall into one of the following categories:

- **PRELIMINARY INQUIRIES (PI):** conducted in circumstances when it is necessary to determine the validity of a complaint prior to the initiation of a formal investigation. Background investigations are performed when requested and documented as a PI. A summary of PI cases conducted for FY 2008-2009 is documented on page 18 of this report.
- **INSPECTOR GENERAL INVESTIGATIONS (IG):** formal investigations conducted in accordance with Florida Statute and/or Department Administrative Policies and Procedures, to include: Sexual Harassment; Discrimination; and Whistle-blower. A summary of IG cases conducted for FY 2008-2009 are documented on pages 19-25 of this report.
- **ASSIST OTHER AGENCY (AOA):** significant investigative activity in support of another state or local agency. This includes computer forensic support as well as interviews conducted on behalf of another agency.
- **INTELLIGENCE (IT):** documented material that is beyond the scope of the office activity and which did not meet the requirements to open a preliminary inquiry. However, the information contained within these files had potential future value and was retained for reference.

After the investigative process is completed, the IG case is formally documented and closed with one of the following conclusions:

**SUSTAINED:** Evidence is sufficient to prove allegation(s).

**NOT SUSTAINED:** Insufficient evidence available to prove or disprove allegation.

**EXONERATED:** Alleged actions occurred but were lawful and proper.

**UNFOUNDED:** Allegations are false or not supported by fact.

**POLICY FAILURE:** Alleged actions occurred and could have caused harm; however, the actions taken were not inconsistent with Department policy.

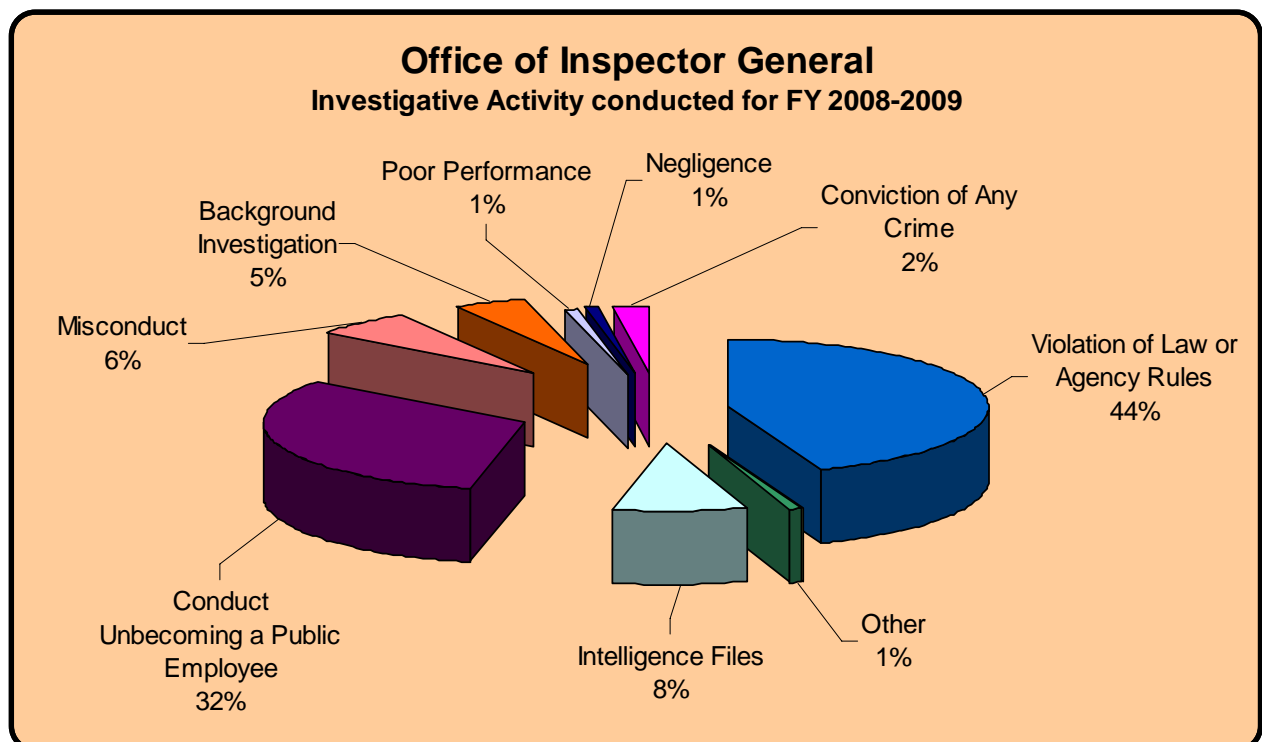
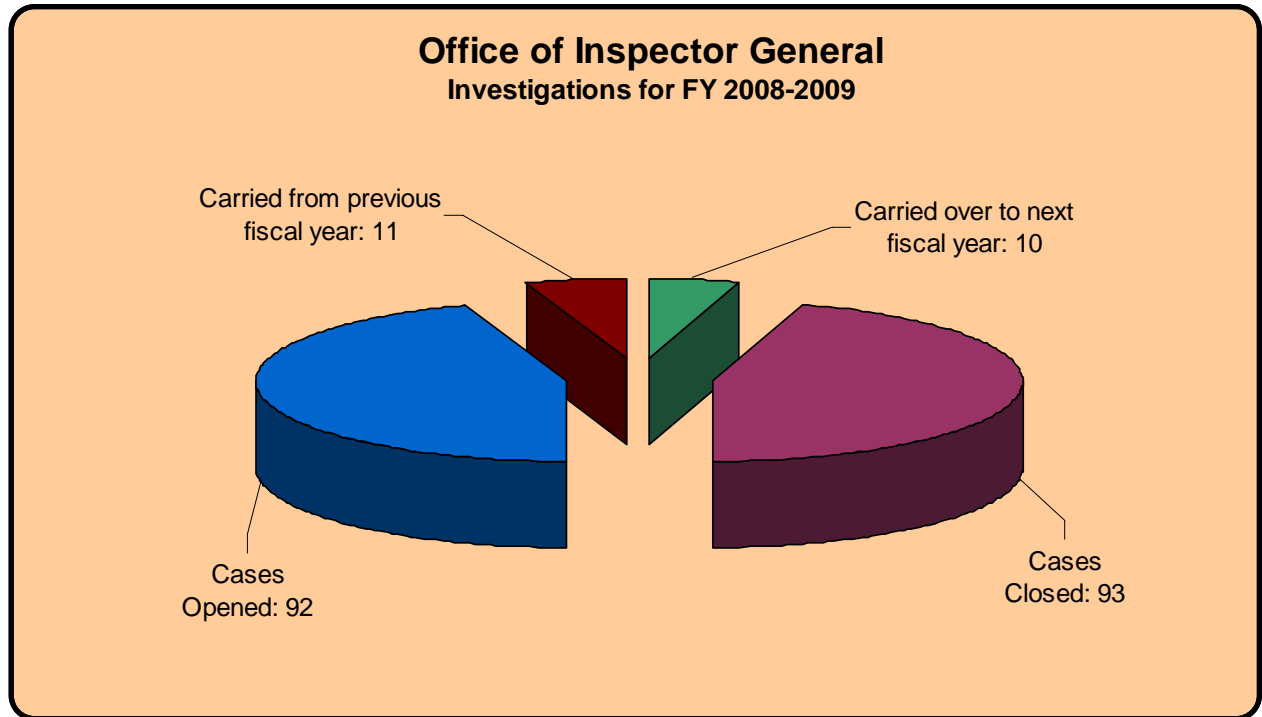
**REFERRED TO DIVISION:** The allegation did not meet the criteria of an IG investigation, or the allegations related to work performance and/or management issues only.

After the case has been approved for closure by the Inspector General, the results are forwarded to Department management for action as they deem appropriate. The investigations are conducted by one Chief, one Captain, one Lieutenant, and one Investigation Specialist, three with bachelor's degrees and one with a law degree. All four investigators have attended numerous schools and



training programs relating to internal investigation and collectively bring a broad range of knowledge, experience and professionalism to the investigation section.

The following charts outline the case activity for Fiscal Year 2008-2009.



## **PRELIMINARY INQUIRIES (PI)**

The Office of Inspector General (OIG) receives complaints from a wide variety of sources. Sometimes it is necessary for the Investigation Section to open a preliminary inquiry to determine the validity of a complaint prior to initiation of a formal investigation.

Preliminary inquiries:

- Determine if witnesses are available and cooperative, and ascertain if there is any evidence available to support the allegation.
- Involve requests made by a division where the resources and authority of the OIG are needed, i.e., certain background investigations, computer forensics, evidence preservation, sworn testimony, etc.
- Establish whether the complaint is within the jurisdiction of the OIG.

The following are case summaries for preliminary inquiries closed during Fiscal Year 2008-2009:

<b>CASE NUMBER</b>	<b>ALLEGATION</b>	<b>FINDINGS</b>
PI 2008-0017	Complaint	No evidence to support.
PI 2008-0032	Complaint	Not within the purview of the OIG.
PI 2008-0033	Background inquiry	Completed.
PI 2008-0035	Complaint	Referred to Division Director.
PI 2008-0037	Complaint	No formal complaint filed.
PI 2008-0038	Background inquiry	Completed.
PI 2008-0040	Complaint	Not within the purview of the OIG.
PI 2008-0041	Complaint	Closed.
PI 2008-0045	Complaint	Not within the purview of the OIG.
PI 2008-0046	Complaint	Not within the purview of the OIG.
PI 2008-0048	Complaint	Not within the purview of the OIG.
PI 2008-0049	Misconduct	No evidence to support.
PI 2008-0053	Complaint	No evidence to support.
PI 2008-0054	Misconduct	Not within the purview of the OIG.
PI 2008-0057	Complaint	Closed.
PI 2008-0060	Complaint	Referred to Division Director.
PI 2008-0062	Complaint	Not within the purview of the OIG.
PI 2008-0064	Complaint	No evidence to support.
PI 2008-0066	Computer misuse	Referred to Division Director.
PI 2008-0067	Misconduct	No formal complaint filed.
PI 2008-0068	Misconduct	No formal complaint filed.
PI 2008-0070	Complaint	No evidence to support.
PI 2008-0074	Complaint	Closed.
PI 2009-0001	Complaint	No evidence to support.
PI 2009-0003	Complaint	No formal complaint filed.
PI 2009-0004	Complaint	No formal complaint filed.
PI 2009-0005	Computer review	Referred to Division Director.

CASE NUMBER	ALLEGATION	FINDINGS
PI 2009-0006	Sexual harassment complaint	Not within the purview of the OIG.
PI 2009-0007	Complaint	No evidence to support.
PI 2009-0012	Theft	Referred to Division Director.
PI 2009-0013	Complaint	Referred to Division Director.
PI 2009-0014	Complaint	Referred to Division Director.
PI 2009-0015	Complaint	No evidence to support.
PI 2009-0016	Complaint	Referred to Division Director.
PI 2009-0017	Sexual harassment complaint	No formal complaint filed.
PI 2009-0019	Background inquiry	Completed.
PI 2009-0021	Complaint	No evidence to support.
PI 2009-0022	Background inquiry	Completed.
PI 2009-0023	Complaint	Referred to Division Director.
PI 2009-0024	Complaint	No evidence to support.
PI 2009-0027	Complaint	No evidence to support.
PI 2009-0028	Complaint	Referred to Division Director.
PI 2009-0029	Complaint	Not within the purview of the OIG.
PI 2009-0030	Complaint	Referred to Division Director.
PI 2009-0031	Complaint	Referred to Division Director.
PI 2009-0032	Complaint	No evidence to support.
PI 2009-0033	Complaint	Not within the purview of the OIG.
PI 2009-0034	Background inquiry	Completed.
PI 2009-0035	Complaint	Not within the purview of the OIG.
PI 2009-0037	Complaint	No evidence to support.
PI 2009-0038	Complaint	Referred to Division Director.
PI 2009-0039	Background inquiry	Completed.
PI 2009-0040	Complaint	No formal complaint filed.
PI 2009-0041	Background inquiry	Completed.
PI 2009-0044	Complaint	No formal complaint filed.

## **INSPECTOR GENERAL INVESTIGATIONS (IG)**

The following are case summaries for investigations closed during Fiscal Year 2008-2009:

### **IG 2008-0011**

This case was opened when our office was notified of the arrest of a Department employee. Prior to a trial, the State Attorney's Office nolle prossed all charges after concluding that this employee was the victim of identity theft and not the perpetrator of these crimes. As a result of the State Attorney's determination and decision, this case was concluded as UNFOUNDED.

### **IG 2008-0018**

This case was opened when our office received information that a Department employee allegedly had an improper relationship with an inmate at a correctional institution. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of

Law or Agency Rules were SUSTAINED. Violation of Conduct Unbecoming a Public Employee was SUSTAINED.

IG 2008-0019

This case was opened when our office was requested to review the recurring thefts at the Conner complex. This office conducted an investigation into the allegations. As a result of that investigation, the allegation of Violation of Law or Agency Rules was NOT SUSTAINED.

IG 2008-0020

This case was opened when our office received information that Department purchased fuel was missing. This office conducted an investigation into the allegations. The allegations of Violation of Law or Agency Rules and Conduct Unbecoming a Public Employee against a Department employee were SUSTAINED.

IG 2008-0025

This case was opened when our office was requested to investigate incidents of fuel cards assigned to Department vehicles being reported missing and used without authorization. This office conducted an investigation into the allegations. As a result of that investigation, a former Department employee was the prime suspect concerning the allegations of burglary, theft and unauthorized use of Department credit cards. The case was being investigated by the local Sheriff's Office.

IG 2008-0028

This case was opened when information was received from another investigation which alleged that additional Department employees may have violated policies. This office has conducted an investigation into the allegations. As a result of that investigation, allegations of Conduct Unbecoming a Public Employee and Violation of Law or Agency Rules against a Department employee were SUSTAINED.

IG 2008-0029

This case was opened when our office was requested to review information about fuel being siphoned from a Department vehicle. This office conducted an investigation into the allegations. As a result of that investigation, the allegation of Conduct Unbecoming a Public Employee was concluded as NOT SUSTAINED.

IG 2008-0030

This case was opened when our office received information which alleged that a Department employee had acted inappropriately. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Conduct Unbecoming a Public Employee and Violation of Law or Agency Rules were SUSTAINED.

IG 2008-0031

This case was opened when our office received information that alleged a Department employee used gasoline for personal benefit and falsified documents. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules and Conduct Unbecoming a Public Employee were SUSTAINED.

IG 2008-0034

This case was opened when our office received information that a Department employee allegedly had been involved in a single vehicle traffic crash, and was subsequently charged with Driving Under the Influence. This office conducted an investigation into the allegations. As a result of that investigation, the allegation of Conviction of Any Crime was SUSTAINED.

IG 2008-0036

This case was opened when our office received information that a Department employee had been arrested. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules and Conduct Unbecoming a Public Employee were SUSTAINED.

IG 2008-0039

This case was opened when our office received an anonymous letter containing allegations of computer misuse by a Department employee. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules were SUSTAINED.

IG 2008-0042

This case was opened when our office received an allegation of sexual harassment against a Department employee. Based on the information available and at the request of both employees this office found that this case met the criteria for mediation under Department Administrative Policies and Procedures No. 5-21, VI. F., 2.

IG 2008-0043

This case was opened when our office received information of alleged theft of Department property. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules and Conduct Unbecoming a Public Employee were SUSTAINED.

IG 2008-0044

This case was opened when our office received a request to investigate allegations that a Department employee had engaged in lewd and lascivious behavior. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Conduct Unbecoming a Public Employee and Violation of Law or Agency Rules were SUSTAINED.

IG 2008-0047

This case was opened when our office received information that alleged a Department employee failed to report making a job application with a regulated entity; and conducted himself in a manner that could discredit or embarrass the Department. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules and Conduct Unbecoming a Public Employee were SUSTAINED.

IG 2008-0050

This case was opened when our office received information that a Department employee had been arrested for grand theft, dealing in stolen property and false verification to a secondhand dealer. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Conduct Unbecoming a Public Employee and Violation of Law or Agency Rules were SUSTAINED.



IG 2008-0051

This case was opened when our office received allegations from an anonymous source that stated a Department employee had fourteen years of unpaid federal taxes, engaged in unapproved outside employment that created a conflict of interest and used a Department vehicle for personal use. The allegation of unpaid taxes was referred to the Internal Revenue Service and is not within the purview of this office. This office conducted an investigation into the remaining allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules were UNFOUNDED. An allegation of Violation of Law or Agency Rules was NOT SUSTAINED.

IG 2008-0052

This case was opened when our office received a request to review an ongoing conflict between two Department employees. This office conducted an investigation into the allegations. As a result of that investigation, the allegation of Conduct Unbecoming a Public Employee was SUSTAINED.

IG 2008-0055

This case was opened when our office received information that a Department employee had conducted an inspection in a disruptive and unprofessional manner and had violated provisions of the Federal Health Insurance Portability and Accountability Act (HIPAA). This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Conduct Unbecoming a Public Employee and Violation of Law or Agency Rules were UNFOUNDED.

IG 2008-0056

This case was opened when our office received an email containing allegations of a hostile work environment and workplace violence. This office conducted an investigation into the allegations. As a result of that investigation, as to the allegation of Violation of Law or Agency Rules the employee was EXONERATED. The allegation of Conduct Unbecoming a Public Employee was NOT SUSTAINED.

IG 2008-0058

This case was opened when our office received an allegation of misconduct against a Department employee. This office conducted an investigation into the allegation. As a result of that investigation, the allegation of Conduct Unbecoming a Public Employee was SUSTAINED.

IG 2008-0059

This case was opened when our office received information alleging that a Department employee delivered an anonymous letter that was inflammatory in nature. This office conducted an investigation into the allegations. As a result of that investigation, the allegation of Conduct Unbecoming a Public Employee was NOT SUSTAINED.

IG 2008-0061

This case was opened when our office received information that a Department employee confronted a co-worker in a loud and abusive manner. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Conduct Unbecoming a Public Employee was SUSTAINED. The allegation of Violation of Law or Agency Rules was NOT SUSTAINED.

IG 2008-0063

This case was opened when our office received information that a Department employee had been charged with Driving Under the Influence. This office conducted an investigation into the allegations. As a result of that investigation, the allegation of Conviction of any Crime was SUSTAINED.

IG 2008-0065

This case was opened when our office received information that a Department employee confronted a co-worker in a verbally abusive and unprofessional manner. This office conducted an investigation into the allegations. As a result of that investigation, the allegation of Conduct Unbecoming a Public Employee was SUSTAINED.

IG 2008-0069

This case was opened when our office received information alleging that a Department employee had been involved in unauthorized political activities. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules were either UNFOUNDED or NOT SUSTAINED.

IG 2008-0071

This case was opened when our office received information alleging that a Department employee had harassed and threatened some teenage boys. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Conduct Unbecoming a Public Employee was SUSTAINED.

IG 2008-0072

This case was opened when our office received information alleging that a Department employee had shown an inappropriate photo while on-duty and engaged in inappropriate conversations with other employees while on-duty. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Conduct Unbecoming a Public Employee were SUSTAINED.

IG 2008-0073

This case was opened when our office received a request to review the circumstances surrounding an allegation of misconduct. This office conducted an investigation into the allegations. As a result of that investigation, the allegation of Conduct Unbecoming a Public Employee was SUSTAINED.

IG 2008-0075

This case was opened when our office was requested to review an employment application to verify falsification. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Conduct Unbecoming a Public Employee were SUSTAINED.

IG 2009-0002

This case was opened when our office received allegations concerning the conduct of two Department employees. This office conducted an investigation into the allegations. As a result of that investigation, the allegation in reference to one Department employee engaging in Conduct Unbecoming a Public Employee was SUSTAINED. All other allegations of Conduct Unbecoming a Public Employee were either EXONERATED or UNFOUNDED.

IG 2009-0008

This case was opened when our office was requested to review an allegation concerning failure to report an incident of sexual harassment. This office conducted an investigation into the allegation. As a result of that investigation, the allegation of Violation of Law or Agency Rules was SUSTAINED.

IG 2009-0009

This case was opened when our office was requested to review allegations of conduct unbecoming. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules and Conduct Unbecoming a Public Employee were SUSTAINED.

IG 2009-0010

This case was opened when our office received an alleged complaint of misconduct. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules were UNFOUNDED. Another allegation of Violation of Law or Agency Rules was NOT SUSTAINED.

IG 2009-0011

This case was opened when our office was requested to review an allegation concerning a complaint that a Department employee had solicited and accepted money. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules were UNFOUNDED.

IG 2009-0018

This case was opened when our office received allegations of workplace violence and conduct unbecoming involving a Department employee. This office conducted an investigation into the allegations. As a result of that investigation, the allegations of Violation of Law or Agency Rules, Conduct Unbecoming a Public Employee and Negligence were SUSTAINED.

IG 2009-0025

This case was opened when our office received allegations of conduct unbecoming. This office conducted an investigation into the allegations. As a result of that investigation the allegations of Poor Performance and Conduct Unbecoming a Public Employee were SUSTAINED.

## **INTELLIGENCE FILES**

During the Fiscal Year 2008-2009 the Investigation Section reviewed eleven cases which were documented as being beyond the scope of our office activity and which did not meet the requirements to open a preliminary inquiry. However, the information contained within these files had potential future value and was retained for reference.