

Report No. 2024-197  
April 2024

**STATE OF FLORIDA AUDITOR GENERAL**

Operational Audit

## **DEPARTMENT OF REVENUE**

Selected Administrative Activities  
and Prior Audit Follow-Up



Sherrill F. Norman, CPA  
Auditor General

## **Executive Director of the Department of Revenue**

The Department of Revenue is established by Section 20.21, Florida Statutes. The head of the Department is the Governor and Cabinet. Pursuant to Section 20.05(1)(g), Florida Statutes, the Governor and Cabinet are responsible for appointing the Executive Director of the Department. James A. Zingale served as Executive Director during the period of our audit.

The team leader was Barry Bell, CPA, and the audit was supervised by Karen Van Amburg, CPA.

Please address inquiries regarding this report to Karen Van Amburg, CPA, Audit Manager, by e-mail at [karevanamburg@aud.state.fl.us](mailto:karevanamburg@aud.state.fl.us) or by telephone at (850) 412-2766.

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**State of Florida Auditor General**

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# DEPARTMENT OF REVENUE

## Selected Administrative Activities and Prior Audit Follow-Up

### SUMMARY

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This operational audit of the Department of Revenue (Department) focused on selected administrative activities and included a follow-up on the findings noted in our report Nos. 2019-216 and 2021-100. Our audit disclosed the following:

**Finding 1:** Department controls over the retention of text and multimedia messages in accordance with State law continue to need improvement.

**Finding 2:** Department controls over employee access to the Florida Accounting Information Resource Subsystem, the Contract Accountability Tracking System (CATS), and the Child Support Enforcement Automated Management System (CAMS) need improvement to help prevent any improper or unauthorized use of access privileges. A similar finding for CATS and CAMS has been noted in prior audits of the Department, most recently in our report No. 2019-216.

**Finding 3:** Department records did not always document that surplus information technology equipment with data storage capabilities had been properly sanitized or destroyed prior to disposal.

### BACKGROUND

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The three primary functions of the Department of Revenue (Department) are to collect and distribute various State taxes and fees, oversee the State's property tax system, and provide child support enforcement services. To perform these functions, the Legislature appropriated over \$717 million to the Department for the 2023-24 fiscal year and funded 5,011.75 positions.<sup>1</sup>

### FINDINGS AND RECOMMENDATIONS

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#### **Finding 1: Retention of Text and Multimedia Messages**

State law<sup>2</sup> requires State agencies to maintain public records in accordance with the records retention schedule<sup>3</sup> established by the Department of State, Division of Library and Information Services. The schedule specifies that the retention periods for electronic communications, including text and multimedia messages, are determined by the content, nature, and purpose of the messages. Some of the purposes include administrative correspondence (3 fiscal years), program and policy development correspondence (5 fiscal years), and transitory messages, which are to be maintained until obsolete, superseded, or administrative value is lost.

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<sup>1</sup> Chapter 2023-239, Laws of Florida.

<sup>2</sup> Section 119.021(2)(b), Florida Statutes.

<sup>3</sup> State of Florida *General Records Schedule GS1-SL for State and Local Government Agencies*.

Pursuant to Department policy,<sup>4</sup> telecommunication devices<sup>5</sup> provided by the Department to employees were to be used only for conducting official State business. According to Department records, as of March 2023, the Department was responsible for 1,124 telecommunication devices. In June 2022, the Department contracted with a service organization<sup>6</sup> to provide text and multimedia message retention services. As the Department relies on a service organization to retain Department text and multimedia messages in accordance with State law, it is incumbent upon the Department to take steps to reasonably ensure that service organization controls relevant to message retention are suitably designed and operating effectively. Such steps may include requiring the service organization to provide a service auditor's report<sup>7</sup> or, alternatively, Department monitoring of the effectiveness of relevant service organization controls.

To evaluate Department telecommunication device controls, we inquired of Department management, reviewed Department policies and procedures, examined Department service organization purchase orders and related records, and analyzed the Department's February and March 2023 telecommunication device invoices. Our audit procedures disclosed that:

- The Department had not monitored relevant service organization controls, the purchase orders did not include a provision requiring the service organization to provide the Department a service auditor's report, and, as of May 2023, the Department had neither requested nor received service auditors' reports on the effectiveness of relevant service organization controls. Additionally, according to Department management and records, the Department did not begin enrolling telecommunication devices with the service organization for message retention until January 2023, or 7 months after the Department contracted for message retention services.
- 157 Department telecommunication devices were used to send or receive 1,214 text and 158 multimedia messages during February and March 2023. We selected for further evaluation 20 of the Department telecommunication devices that sent or received 300 of the text and 70 of the multimedia messages and requested from the Department documentation evidencing that the messages were retained in accordance with State law. We found that:
  - While Department management indicated that 10 of the Department telecommunication devices used to send or receive 252 of the text and 54 of the multimedia messages were enrolled with the service organization for message retention, the Department was unable to provide documentation evidencing that the content of the messages had been retained.
  - Due to an oversight, 16 multimedia messages were sent or received by 5 devices that were not enrolled with the service organization for message retention.
  - 5 Department telecommunication devices used to send or receive 13 text messages were not enrolled with the service organization for message retention. In response to our audit inquiry,

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<sup>4</sup> Department Policy, *Protection and Use of Information Technology Resources*.

<sup>5</sup> Cellular phones and mobile devices that could be used as a telephone.

<sup>6</sup> Service organizations provide services to user entities, some of which may be relevant to security, availability, processing integrity, confidentiality, or privacy, or relevant to the user entities' internal control over financial reporting.

<sup>7</sup> A service auditor's report, as described by the American of Institute of Certified Public Accountants, AT-C Section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting*, provides information and auditor conclusions related to a service organization's controls. Service organizations make service auditor reports available to user organizations to provide assurances related to the effectiveness of the service organization's relevant internal controls. AT-C Section 320.04 states that the guidance provided in AT-C Section 320 may be helpful in reporting on controls at a service organization other than those that are likely to be relevant to user entities' internal control over financial reporting.

Department management indicated that the Department had not established a monitoring process to ensure that messages were being retained in accordance with State law.

Absent the timely evaluation of the effectiveness of relevant service organization controls, Department management has reduced assurance that controls relevant to the retention of text and multimedia messages in accordance with State law are suitably designed and operating effectively. Additionally, absent effective controls or a verifiable method to retain text and multimedia messages, such messages may be sent or received and not be retained in accordance with State law, diminishing the Department's ability to provide access to public records. A similar finding was noted in our report No. 2019-216 (Finding 2).

**Recommendation:** We recommend that Department management make or obtain independent and periodic assessments of the effectiveness of the service organization's relevant internal controls for ensuring that text and multimedia messages are retained in accordance with State law. We also recommend that Department management strengthen controls to ensure that all Department telecommunication devices with messaging capabilities are enrolled with the service organization for message retention.

## Finding 2: Information Technology Access Controls

Department of Management Services (DMS) rules<sup>8</sup> require State agencies to review access privileges periodically based on system categorization or assessed risk and ensure that information technology (IT) access privileges are removed when access to an IT resource is no longer required. Periodic reviews of user access privileges help ensure that only authorized users have access and that the access provided to each user remains appropriate. Prompt action to deactivate access privileges is necessary to help prevent misuse of the access privileges.

As part of our audit, we evaluated Department IT access controls for the Florida Accounting Information Resource Subsystem (FLAIR),<sup>9</sup> the Contract Accountability Tracking System (CATS),<sup>10</sup> and the Child Support Enforcement Automated Management System (CAMS).<sup>11</sup> Our evaluation found that:

- While Department staff were to conduct quarterly FLAIR access reviews to assess whether user access privileges remained appropriate, our examination of Department records found that FLAIR access reviews were only conducted for three of the six quarters during the period July 2021 through December 2023. According to Department management, staff vacancies and staff workload contributed to the quarterly reviews not being conducted.
- FLAIR user access privileges were not always timely deactivated upon a user's separation from Department employment. Our comparison of FLAIR access records to People First<sup>12</sup> records found that 19 of the 26 user accounts deactivated by the Department during the period July 2021 through January 2023 were deactivated 1 to 224 days (an average of 45 days) after the users' employment separation dates. Additionally, the FLAIR user access privileges for an employee who separated from Department employment on October 8, 2021, remained active through the date of their rehiring by the Department on February 28, 2022. In response to our audit inquiry,

<sup>8</sup> DMS Rule 60GG-2.003(1)(a)6. and 8., Florida Administrative Code.

<sup>9</sup> The Department uses FLAIR to authorize payment of Department obligations and to record and report financial transactions.

<sup>10</sup> The Department uses CATS to manage Department contracts and upload information to the Florida Accountability Contract Tracking System.

<sup>11</sup> The Department uses CAMS to process child support payments, distribute child support funds, and track complaint data.

<sup>12</sup> People First is the State's human resource information system.

Department management indicated that they consider access to be timely removed if removed within 5 business days of employment separation. Additionally, Department management indicated that staffing vacancies, staff workload, and employee oversight contributed to the untimely deactivation of FLAIR access privileges.

## **CATS**

- The Department, Office of Financial Management – Purchasing and Facilities (OFM), was to perform bi-annual CATS user access privilege reviews using the CATS Access Review and Approval Form (CATS Access Form). The OFM was to send CATS Access Forms to Department supervisors prepopulated with each supervisor’s CATS users, their current access privileges, and an indication as to whether the users were currently managing contracts. Supervisors were to complete the CATS Access Form indicating whether the user’s access privileges should be changed, justify update access privileges if the user was not currently managing contracts, and sign and date the CATS Access Form before returning it to the OFM.

We examined Department records for the October 2021 (77 CATS users), June 2022 (69 CATS users), and February 2023 (64 CATS users) reviews of Department employees with CATS access privileges and found that:

- For the October 2021, June 2022, and February 2023 reviews, the CATS Access Forms provided to 2 of the 11 (25 users), 2 of the 10 (29 users), and 1 of the 10 supervisors (7 users), respectively, responsible for conducting the reviews were not completed and returned to the OFM. According to Department management, the OFM staff responsible for ensuring that CATS Access Forms were completed did not have the authority to require supervisors to complete and return the Access Forms to the OFM.
- For the June 2022 and February 2023 reviews, due to an oversight, a CATS Access Form was not provided to the Property Tax Oversight supervisor responsible for conducting the review. Consequently, the Department could not demonstrate that Property Tax Oversight CATS Access reviews were conducted as required.
- For the October 2021 and February 2023 reviews, due to an oversight, the CATS Access Forms did not include justification for the update access privileges assigned to 2 of the 4 CATS users, and 1 of the 3 CATS users, respectively, who did not manage contracts.

A similar finding has been noted in prior audits of the Department, most recently in our report No. 2019-216 (Finding 4).

## **CAMS**

- 63 of the 563 Department employees with CAMS access privileges who separated from Department employment during the period July 2021 through January 2023 remained active 1 to 214 days (an average of 5 days) after the employees’ separation dates. Additionally, another CAMS user account was still active as of March 30, 2023, although 394 days had elapsed since the user separated from Department employment.

According to Department management, the delays in deactivating CAMS access privileges were due to supervisors not timely notifying CAMS security personnel of employment separations and security administrator errors. Additionally, although Department procedures<sup>13</sup> required supervisors to notify CAMS system security personnel when a user no longer required system access due to termination or employment separation, the procedures did not specify the time frame for deactivating user access privileges. A similar finding has been noted in prior audits of the Department, most recently in our report No. 2019-216 (Finding 8).

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<sup>13</sup> Child Support Program Procedure, *CAMS – Access and Use*.

The prompt deactivation of FLAIR and CAMS user access privileges upon an employee's separation from Department employment reduces the risk of the unauthorized disclosure, modification, or destruction of Department data and IT resources by former employees or others. Additionally, the conduct of complete and periodic reviews of FLAIR and CAMS user access privileges would provide Department management assurance that user access privileges are authorized and remain appropriate.

**Recommendation: We recommend that Department management enhance IT user access privilege controls to ensure that:**

- **FLAIR and CAMS user access privileges are deactivated immediately upon a user's separation from Department employment.**
- **Department records evidence the conduct of periodic reviews of the appropriateness of all assigned FLAIR and CAMS user access privileges.**

### **Finding 3: Surplus IT Equipment Sanitization and Disposition Documentation**

To promote the appropriate disposal of surplus IT equipment, it is important for entities to follow an orderly and controlled disposal process. When surplus IT equipment is repurposed or made available to other entities, appropriate procedures need to be followed to ensure that confidential and sensitive information is removed and cannot be inadvertently or inappropriately disclosed. Effective IT security controls include maintaining complete and accurate disposal records to document the sanitization and disposition of surplus IT equipment. As such, Department procedures required all surplus IT equipment with data storage capabilities be sanitized or the memory device destroyed prior to transfer or disposal, and that evidence of sanitization be documented through the completion of a sanitization report. If sanitization was not possible, the hard drive was to be removed and destroyed prior to the item's transfer or disposal.

According to Department records, during the period July 2021 through January 2023, the Department disposed of 1,871 property items identified as surplus IT equipment with data storage capabilities, including computers, mobile devices, and printers. As part of our audit, we examined Department records for 25 selected property items to determine whether the records evidenced that surplus IT equipment with data storage capabilities had been sanitized or the memory device destroyed prior to disposal. Our examination found that Department records did not evidence the sanitization of 5 iPhones and 1 iPad, nor the destruction of the hard drive for 1 laptop computer, prior to disposal. While Department management indicated that the iPhones and iPad were sent to a vendor for sanitization and disposal, none of the 6 devices were listed on the sanitization certificate provided by the vendor. Additionally, Department records indicated that the laptop computer could not be sanitized and that the hard drive was forwarded to a vendor for destruction. However, the Department was unable to provide evidence, such as a report from the vendor, that the hard drive was destroyed. In response to our audit inquiry, Department management indicated that the deficiencies were due to inexperienced staff.

Documentation evidencing the sanitization or destruction of IT equipment with data storage capabilities prior to the item's disposal would provide Department management assurance that confidential and sensitive data has been removed and cannot be inadvertently or inappropriately disclosed.

**Recommendation: We recommend that Department management ensure that Department records adequately evidence the sanitization, or physical destruction of, IT surplus equipment with data storage capabilities prior to disposal.**

## ***PRIOR AUDIT FOLLOW-UP***

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Except as discussed in the preceding paragraphs, the Department had taken corrective actions for the findings included in our report Nos. 2019-216 and 2021-100.

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

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The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2023 through December 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit of the Department of Revenue (Department) focused on selected administrative activities. The overall objectives of the audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed into operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our audit also included steps to determine whether management had corrected, or was in the process of correcting, all deficiencies noted in our report Nos. 2019-216 and 2021-100.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in internal controls significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal



controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Department policies and procedures, and other guidelines, and interviewed Department personnel to obtain an understanding of child support program, taxpayer refund, and selective administrative activity processes and responsibilities.
- Inquired of Department management regarding whether the Department made any expenditures or entered into any contracts under the authority granted by an applicable state of emergency during the period July 2021 through January 2023.
- Evaluated Department actions to correct the findings noted in our report No. 2019-216. Specifically, we:
  - Examined Florida Accountability Contract Tracking System (FACTS) records for the 13 Child Support Program legal services contracts in effect at some point during the period July 2021 through January 2023 to determine whether confidential information, if any, was redacted from the documents posted to FACTS.
  - Interviewed Department management, reviewed Department policies and procedures, examined Department service organization purchase order and related records, and analyzed the Department's February and March 2023 telecommunication device invoices to determine whether text and multimedia messages were utilized for non-smart phones, the Department ensured that service organization controls related to the retention of text and multimedia messages sent from or received by Department telecommunication devices were suitably designed and operating effectively, and whether for 20 selected Department telecommunication devices that sent or received 370 text and multimedia messages during the period February 10, 2023, through March 18, 2023, the messages were retained in accordance with State law and Department of State record retention guidelines.
  - Interviewed Department personnel and analyzed Florida Accounting Information Resource Subsystem (FLAIR) user access privilege records for the 84 Department FLAIR users active as of January 2023 to determine whether the assigned access privileges were necessary and not indicative of the assignment of incompatible duties.
  - Interviewed Department personnel, reviewed Department policies and procedures, and examined Department records for the three Contract Accountability Tracking System (CATS) user access privilege reviews conducted during the period July 2021 through February 2023 to determine whether the Department documented that CATS user access privileges were appropriate.

- From the population of 17 Department motor vehicles, with acquisition costs totaling \$449,268, that were available for assignment and use during December 2022 and January 2023, examined Department records for those months for 5 selected motor vehicles, with acquisition costs totaling \$128,544, to determine whether the Department appropriately documented the use of motor vehicles on daily travel logs as required by Department policies and procedures and whether the Department appropriately reported motor vehicle cost and utilization information in the Department of Management Services (DMS) FleetWave system in accordance with DMS Rule 60B-1.010(2), Florida Administrative Code.
- Reviewed the Florida Department of Financial Services Catalog of State Financial Assistance (Catalog) and analyzed Department FLAIR data to determine whether the Catalog attributed any State Financial Assistance programs to the Department for the 2021-22 or 2022-23 fiscal years and whether the Department administered any State Financial Assistance programs during the period July 2021 through January 2023 that were subject to Florida Single Audit Act Requirements.
- Interviewed Department personnel and examined Department records to gain an understanding of Department policies, procedures, and processes for entering, tracking, and resolving child support program customer complaints.
- From the population of 141 child support program customer complaints that were received and resolved by the Department during the period July 2021 through January 2023, examined Department records for 15 selected complaints to determine whether the Department established a system or mechanism to accurately track the dates that complaints were received and resolved, and whether the established system or mechanism provided the ability to aggregate all customer complaints received for statistical analysis in accordance with Section 23.30, Florida Statutes.
- Compared the list of Department employees who had access to the Child Support Enforcement Automated Management System (CAMS) as of March 30, 2023, to Department personnel records to determine whether CAMS access privileges were timely deactivated upon an employee's separation from Department employment.
- Compared the list of Department employee CAMS user accounts that were deactivated during the period July 2021 through January 2023 to Department personnel records to determine whether CAMS access privileges were timely deactivated upon an employee's separation from Department employment.
- Evaluated Department actions to correct the findings noted in our report No. 2021-100. Specifically, we:
  - Reviewed applicable laws, rules, and Department policies and procedures, and interviewed Department personnel to obtain an understanding of Department responsibilities for establishing and completing child support final administrative support orders.
  - From the population of 18,355 final child support administrative orders established during the period July 2021 through January 2023, examined Department records for 25 selected support orders to determine whether the support orders were timely established.
  - Inquired of Department management and reviewed Department policies and procedures to obtain an understanding of Department responsibilities for processing taxpayer refunds and to determine whether Department management implemented timeliness measures to ensure that overpayments of tax were timely refunded and taxpayer refund applicants were timely notified of application errors or omissions.
  - From the population of 33,205 non-reemployment assistance taxpayer refund applications (26,593 approved applications and 6,612 denied applications) received by the Department during the period July 2021 through January 2023, examined 40 selected taxpayer refund

applications (25 approved applications and 15 denied applications) to determine whether refunds for approved applications were timely paid or otherwise applied to taxpayer accounts and whether the Department timely examined the denied refund applications and timely notified the applicant of application errors or omissions.

- Reviewed applicable laws, rules, and other State guidelines to obtain an understanding of the legal framework governing Department operations.
- Interviewed Department management, examined Department forms, and evaluated Department compliance with applicable statutory requirements for collecting and utilizing individuals' social security numbers.
- Observed, documented, and evaluated the effectiveness of selected Department processes and procedures for:
  - Purchasing activities, managing FLAIR and other information technology system access privileges, settlement agreements, and fixed capital outlay.
  - The administration of tangible personal property in accordance with applicable guidelines. As of January 2023, the Department was responsible for tangible personal property with related acquisition costs totaling \$33,467,134.
  - From the population of 1,871 property items with data storage capabilities surplus by the Department during the period July 2021 through January 2023, examined Department records for 25 selected items to determine whether Department records evidenced that the items had been sanitized or their memory device destroyed prior to disposal.
  - The assignment and use of motor vehicles. As of January 2023, the Department was responsible for 17 motor vehicles with related acquisition costs totaling \$449,268.
  - The administration of Department contracts. As of January 2023, the Department was responsible for 361 active contracts totaling \$1,038,242,995.
  - Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

## **AUTHORITY**

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Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE<sup>14</sup>

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**Florida Department of Revenue**  
*Office of the Executive Director*

**Jim Zingale**  
Executive Director

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5050 West Tennessee Street, Tallahassee, FL 32399

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April 30, 2024

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Dear Ms. Norman:

As required by section 11.45(4)(d), Florida Statutes, attached is the Department's response to the preliminary and tentative findings and recommendations included in your report for the operational audit of the Department of Revenue, Selected Administrative Activities and Prior Audit Follow-Up.

We appreciate the professionalism displayed by your audit staff. If further information is needed, please contact Stacey Emminger, Director of Auditing, at 850-717-6710 or [Stacey.Emminger@floridarevenue.com](mailto:Stacey.Emminger@floridarevenue.com).

Sincerely,

Jim Zingale

JZ/jk

Attachments

cc: Karen Van Amburg, Audit Manager  
Barry Bell, Audit Coordinator  
Clark Rogers, Deputy Executive Director  
Ann Coffin, Child Support Program Director  
Jimmie Harrell, Information Services Program Director  
Shannon Segers, Office of Financial Management Director  
Angie Welch, Inspector General  
Stacey Emminger, Director of Auditing

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<sup>14</sup> Management's response refers to attachments that are not included in this report but are public records that may be obtained from the Department.

Response to Preliminary and Tentative Audit Findings  
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**Finding 1:** Department controls over the retention of text and multimedia messages in accordance with State law continue to need improvement.

**Recommendation:** We recommend that Department management make or obtain independent and periodic assessments of the effectiveness of the service organization's relevant internal controls for ensuring that text and multimedia messages are retained in accordance with State law. We also recommend that Department management strengthen controls to ensure that all Department telecommunication devices with messaging capabilities are enrolled with the service organization for message retention.

**Response:**

The Information Services Program (ISP) concurs with this finding.

ISP will work to make or obtain independent and periodic assessments of the effectiveness of the service organization's relevant internal controls for ensuring that text and multimedia messages are retained in accordance with State law.

To ensure all Department telecommunication devices with messaging capabilities are enrolled with the service organization for message retention, ISP has developed a process to ensure new devices are enrolled and current devices are actively enrolled, on a monthly basis. See the following attachment – ISP Text Message Archiving and Retention Procedure. ISP considers this closed.

**Finding 2:** Department controls over employee access to the Florida Accounting Information Resource Subsystem (FLAIR), the Contract Accountability Tracking System (CATS), and the Child Support Enforcement Automated Management System (CAMS) need improvement to help prevent any improper or unauthorized use of access privileges. A similar finding for CATS and CAMS has been noted in prior audits of the Department, most recently in our report No. 2019-216.

**Recommendation:** We recommend that Department management enhance IT user access privilege controls to ensure that:

- FLAIR and CAMS user access privileges are deactivated immediately upon a user's separation from Department employment.
- Department records evidence the conduct of periodic reviews of the appropriateness of all assigned FLAIR and CATS user access privileges.

Response to Preliminary and Tentative Audit Findings  
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**Response:**

The Child Support Program (Child Support) concurs with the finding for the CAMS system.

Child Support has revised operational procedures to require a supervisor to submit notification at least five days in advance of a planned separation (when possible). For unplanned separations (death, abandonment, termination) any manager with knowledge of the unplanned separation must submit the notification of termination within one business day after learning of the unplanned separation, providing the circumstances of the separation and the date the reporting manager became aware of the unplanned separation.

The Office of Financial Management (OFM) concurs with this finding for the FLAIR and CATS systems.

FLAIR

The Financial Systems & Analysis (FSA) section conducts FLAIR access privilege reviews and activates and deactivates FLAIR access.

FLAIR Access Privilege Reviews:

1. The Finance & Accounting Director III who supervises FSA shall place a reminder on his Outlook Calendar at the beginning of each calendar quarter to ensure that the quarterly FLAIR Access Reviews are conducted by the Accountant III within FSA.
2. The Accountant III within FSA will email the Finance & Accounting Director III and the Budget & Financial Reporting Director when the quarterly FLAIR Access Reviews have been conducted no later than the end of the second month of the calendar quarter.
3. If the Finance & Accounting Director III has not received confirmation from the Accountant III that the quarterly FLAIR Access Reviews have been conducted by the first week of the third month of the calendar quarter, he will ensure that they are conducted by any team member of FSA no later than the end of the calendar quarter.
4. Copies of the quarterly access review and associated emails from the FSA section and FLAIR user's supervisors will be maintained on the FSA shared network drive.

FLAIR Access Privilege Deactivations:

1. All FSA team members have been added to the distribution list for system-generated email notifications when a Department of Revenue employee is expected to separate from the Department.
2. The Accountant III within FSA will deactivate the employee's FLAIR access within five business days of receiving the notification and email the Professional Accountant Specialist within FSA that the employee's access has been deactivated.
3. The Accountant III will conduct weekly reviews within FLAIR to compare the system generated separation emails received during the week to the user's access status within

Response to Preliminary and Tentative Audit Findings  
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FLAIR to ensure that the user's access has been deactivated. The Accountant III will notify the Professional Accountant Specialist when the weekly review has been completed.

4. The Professional Accountant Specialist will conduct monthly reviews within FLAIR to compare the system generated separation emails received during the month to the user's access status within FLAIR to ensure that the user's access has been deactivated. The Professional Accountant Specialist will notify the Finance & Accounting Director III when the monthly review has been completed.
5. Copies of the system-generated email notifications and screen shots of the FLAIR user's access showing their access to be deactivated will be maintained on the FSA shared network drive.

### CATS

The Purchasing Office's Contract Management Team (CMT) conducts biannual CATS user access privilege reviews using the CATS Access Review & Approval Form (CATS Access Form).

1. Biannual CATS user access privilege reviews will be conducted during the months of January and July by the Government Analyst I and Administrative Assistant II within the CMT.
2. The Operations & Management Consultant Manager (Purchasing Director) who supervises the Purchasing Office shall place a reminder on his Outlook Calendar at the beginning of January and July to ensure that the biannual CATS user access privilege reviews are conducted by the CMT.
3. The Government Analyst I within CMT will email the CATS Access forms to the CATS user's supervisors no later than the first week of January and July. The Government Analyst I will monitor the status of replies from the supervisors weekly. If a reply has not been received by the end of the third week of the month, a second email will be sent to the supervisor requesting a response by the end of the third week of the month. If no response is received to the second email, the CATS user's access to CATS will be deactivated and a third email requesting a response will be sent to the user's supervisor and copying the CATS user and the program director of the user's supervisor. The third email will advise that the user's CATS access will remain deactivated until a response to the CATS Access Form is received from the CATS user's supervisor. The CATS user's access will remain deactivated until a response is received from the CATS user's supervisor.
4. Copies of the signed biannual access review forms, associated emails from the CMT section and CATS user's supervisors, and screen shots of CATS showing the CATS users access deactivated, if necessary, will be maintained on the Purchasing shared network drive.

Response to Preliminary and Tentative Audit Findings  
Department of Revenue Operational Audit:  
Selected Administrative Activities and Prior Audit Follow-up

**Finding 3:** Department records did not always document that surplus information technology equipment with data storage capabilities had been properly sanitized or destroyed prior to disposal.

**Recommendation:** We recommend that Department management ensure that Department records adequately evidence the sanitization, or physical destruction of, IT surplus equipment with data storage capabilities prior to disposal.

**Response:** OFM concurs with this finding. A corrective action plan has been implemented as described below.

ISP has improved the ISP Device Destruction and Disposal procedure to ensure the contractor provides all required documentation. Furthermore, as an added measure, the procurement analyst will ensure all required documentation has been received before authorizing payment.

A copy of the updated procedure is attached, with the updates included on page three of the procedure.