



**FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

MARJORY STONEMAN DOUGLAS BUILDING
3900 COMMONWEALTH BOULEVARD
TALLAHASSEE, FLORIDA 32399-3000

RICK SCOTT
GOVERNOR

JENNIFER CARROLL
LT. GOVERNOR

HERSCHEL T. VINYARD JR.
SECRETARY

MEMORANDUM

To: Herschel T. Vinyard Jr., Secretary

From: Candie M. Fuller, Inspector General

Subject: Audit Follow - up

Date: October 4, 2012

A handwritten signature in blue ink, appearing to be 'C.M. Fuller', written over the 'From:' line of the memorandum.

In accordance with Section 20.055 (5) (h), Florida Statutes, a report of the most recent audits relating to Department of Environmental Protection issued by the Florida Auditor General is attached. The report includes a brief summary of the audit findings, recommendations, and agency response, with status of corrective actions at this time.

Please let me know if you would like additional information regarding this follow-up report.

Attachment

Cc: Joint Legislative Auditing Committee

FOLLOW-UP OF AUDIT REPORTS ISSUED BY THE AUDITOR GENERAL OR OPPAGA				
AUDITING ENTITY	REPORT NUMBER	PERIOD COVERED	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTIONS TAKEN
Auditor General	2012-164	November 2010 through January 2012	<p>Finding No. 1: The Department did not always complete the required annual compliance reviews of State Park fiscal operations.</p> <p>Recommendation: The Department should take steps to ensure that district annual compliance reviews are completed at each State park. Also, the Department should enhance its review procedures to include an examination of the controls over land use fees, timber revenues, and inventories held for resale.</p>	<p>In March, 2012, the division amended its Operations Manual requiring the five District offices to forward copies of all park compliance reviews to the Office of Financial Management (OFM) within 30 days of completion. This will allow OFM to track compliance with this requirement.</p> <p>Park merchandise resale inventories are reconciled monthly and submitted to our District Offices pursuant to our Operations Manual, Chapter 5, Paragraph 15. The Division has standardized the district annual compliance review form to include an examination of parks' handling of land use proceeds and timber revenue.</p>
			<p>Finding No. 2: In violation of Florida Statutes, the Department operated the Real Florida Café, located in the Douglas Building, as a State Park-operated concession and covered losses with transfers from the State Park Trust Fund.</p> <p>Recommendation: The Department should take steps to ensure that State Park Trust Fund and Land Acquisition Trust Fund transactions are limited to purposes authorized in law.</p>	<p>The Department no longer operates the Real Florida Café'. Cafeteria operations were turned over to the Division of Blind Services on July 1, 2011.</p>

<p>Finding No. 3: The Department did not properly monitor sales of State park land timber.</p> <p>Recommendation: The Department should establish procedures requiring that documentation be maintained to evidence the monitoring of timber sales in State parks, including a reconciliation of the prioritized list of sites to the actual timber sales. The Department should also ensure timber sales are recorded in a manner which allows a demonstration of compliance with Section 253.036, Florida Statutes.</p>	<p>The Division implemented new procedures effective March 28, 2012 regarding the management and revenue management related to timber harvest management. The division's Bureau of Natural and Cultural Resources coordinates timber harvesting needs and notifies the Bureau of Finance and Accounting when revenue will be forthcoming. In addition, revenue is now recorded on the parks' Weekly Report of Receipts to ensure proper recording of such revenue. Finally, the Office of Financial Management provides timber sale revenue records to the parks on a regular basis, allowing further reconciliation of park records to headquarters records.</p>
<p>Finding No. 4: The Department did not always exercise due diligence in pursuing full payment of accounts receivable related to administrative fines. In addition, delinquent accounts receivable were not timely referred to a collection agent.</p> <p>Recommendation: The Department should exercise due diligence in pursuing full payment of accounts receivable related to administrative fines and report delinquent accounts to a collection agent as required by Section 17.20, Florida Statutes.</p>	<p>Over the past two and one-half years, the Department has made significant improvements in procedures for tracking and reporting accounts receivable, including implementation of a standard mechanism for program areas to report receivables to the Bureau of Finance and Accounting (BFA) on a quarterly basis and a data system for program areas to report delinquent accounts to BFA. BFA has worked with OGC and each division or district to train program area staff to identify amounts due; to perform due diligence to collect receivables; to ensure that delinquent receivables are referred to the State collection agents in a timely manner according to Section 17.20, Florida Statutes; and to request authority to write off recorded receivables that are deemed to be uncollectible. The Department's Directive 540 – Accounts Receivable Collections</p>

		<p>and Write-Off Procedures has been updated to reflect the statutory requirements and these new procedures. As a result, collection efforts are more consistent and timely and delinquent accounts are timely referred to the State collection agents. These efforts have resulted in significant improvement :</p> <ul style="list-style-type: none"> • Accounts that became more than 120 days past due and therefore had to be referred to the State collection agent during FY 2011-2012 totaled \$6,264,655 - down \$2,562,072 from \$8,826,728 in FY 2010-2011, a 29% decrease. • Uncollected Balances that had to be written off as uncollectible totaled \$2,276,566 during FY 2011-2012 - down \$759,190 from FY 2010-2011, a decrease of 25%. • Accounts more than 120 days past due that were not timely referred to the State collection agent as of June 30, 2012, totaled \$902,932 - down \$1,009,035 from \$1,911,968 at June 30, 2011, a decrease of 53%. <p>The updated Directive 540 was finalized, approved, distributed to program area staff, and published to the Department's Administrative Directives intranet page on September 27, 2012. In addition to ongoing one-on-one training with program staff, the Division of Administrative Services is developing accounts receivable collections training to be presented department-wide via webinars in November and December 2012.</p>	
	<p>Finding No. 5: Security controls protecting Department information technology resources needed</p>	<p>The CRA Application Oversight (CRA Administrator) revokes an employee's access to CRA upon notification of the employee's separation</p>	

improvement.

Recommendation: The Department should strengthen access controls to reduce the risk of unauthorized access to information within the CRA and LCT System applications.

from the Department, or separation from a position that is authorized for CRA access. The CRA Administrator relies on supervisors and managers to provide timely notification of employee separation so that their CRA access can be revoked within the acceptable 3 day time frame. To help ensure that systems administrators receive this notification, the Division of Administrative Services has established a procedure that allows supervisors to email notifications of employee terminations to FLAIR_Administrator@dep.state.fl.us. (See attached procedure document.) Upon receipt of the email, a program is activated that emails notification of the termination to systems administrators in the Division of Administrative Services, including the CRA Administrator. To further reduce the risk of unauthorized access, the Department is strengthening the access control for all Department information systems. In particular, all employee terminations will be recorded in a single portal (Cherwell Help Desk System) by the supervisor or program area H/R contact upon notification of a pending employee termination. Cherwell will then automatically e-mail the termination details to Department Account Administrators (including OTIS Accounts Administrator and all Administrative Accounts Administrators). The OTIS Accounts Administrator will disable the Network, Outlook, and Oracle accounts as well as remove the WACA roles for Oracle Applications on the appropriate termination date. The Administrative Accounts Administrators will disable other Administrative accounts (FLAIR, P-Card,

					MFMP, Fuel Cards, People First, LAS/PBS, FLEET) on the appropriate termination date.
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