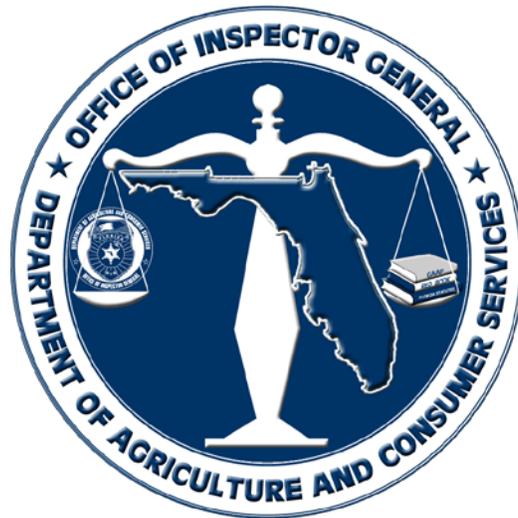


# Department of Agriculture and Consumer Services

Adam H. Putnam, Commissioner



Status Report  
Auditor General Report No. 2012-142

September 2012

Office of Inspector General  
Ron Russo, Inspector General

# Florida Department of Agriculture and Consumer Services

## External Audit Status Report

September 20, 2012

**Auditor General**  
**Report No. 2012-142**  
**Dated: March 2012**

**Compliance and Internal Controls Over Financial Reporting and  
Federal Awards for the Fiscal Year Ended June 30, 2011**

The Inspector General is required by Florida Statute 20.055(5)(h) to report to the Commissioner of Agriculture on the status of corrective actions taken on reports published by the Auditor General or the Office of Program Policy Analysis and Government Accountability (OPPAGA). This audit by the Auditor General contained six findings and recommendations that required corrective action by the Department. Findings that do not require corrective action by the Department are not included in this status report. The status of corrective action was reported by Department management.

### Status of Corrective Action

**Finding No. 1:** Program management had not implemented certain access security controls for the Child Nutrition Program (CNP) System.

**Corrective Action: Has been taken** – Written policies and procedures governing changes to computer applications is being followed to ensure appropriate documentation is maintained for all modifications to the CNP system. Users are granted access to the CNP System via a written request from the application owner, approvals are being maintained in the Department's Remedy System, and procedures have been implemented to improve the timely removal of access privileges to the CNP System for terminated employees. Enhancements to the CNP System's access security controls have been programmed, tested and went into effect on July 11, 2012.

**Follow-up by the Office of Inspector General Internal Audit Group: Will be performed.**

**Finding No. 2:** Program management did not have a process in place to ensure that Child Nutrition Cluster subaward data were properly reported in the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS).

**Corrective Action: Has been taken** – The Bureau of Finance and Accounting encountered difficulties with access to the FSRS as well as the ability to locate DUNS numbers for all subrecipients. Consequently, the Bureau was unable to file timely reports for the first few months after the Office of Food and Nutrition Services' was transferred from the Florida Department of Education in January 2012. However, the FFATA reporting is now current and the Bureau has or is implementing new procedures to ensure the continued timely filing of the reports, such as, increasing the number of staff involved with the reporting process; providing training during the month of September 2012 for all staff; and performing a semi-monthly review of all payments to ensure that the Bureau has the DUNS numbers.

**Follow-up by the Office of Inspector General Internal Audit Group: Will be performed.**

**Finding No. 3:** Program management paid a subrecipient for activities that were not completed prior to reimbursement.

**Corrective Action: In progress** – The Office of Energy (OOE) issued the subrecipient a certified letter of nonperformance on February 8, 2012, giving them 30 days to come into compliance. The OOE did not receive any evidence or documentation from the subrecipient and, as a result, on April 3, 2012, a Notice of Intent to Terminate was mailed to the subrecipient. As of September 10, 2012, the OOE was continuing its efforts to terminate the grant and is reviewing all cost reimbursed to the subrecipient with the intent of requesting the return of funds used to purchase the equipment.

**Follow-up by the Office of Inspector General Internal Audit Group: Will not be performed.**

**Finding No. 4:** Program management did not document that weekly certified payrolls from subrecipients were received and reviewed for compliance with the Davis-Bacon Act.

**Corrective Action: Has been taken** – The OOE developed a checklist specifically to document the review of payrolls for compliance with Davis Bacon Act requirements. The checklist has been provided to the grant managers and the new process was implemented on May 1, 2012.

**Follow-up by the Office of Inspector General Internal Audit Group: Will be performed.**

**Finding No. 5:** Program management did not ensure that monitoring reports were completed in a timely manner following the monitoring of subrecipients or that deficiencies were timely resolved.

**Corrective Action: Has been taken** – The OOE has completed training for grant managers on the topic of grant monitoring, including the timely issuance of monitoring reports. The OOE has also developed and implemented a spreadsheet to document grant monitoring activities, including the date of site visits and the subsequent issuance of monitoring reports. A procedure has been implemented whereby grant managers are notified of upcoming report deadlines.

**Follow-up by the Office of Inspector General Internal Audit Group: Will be performed.**

**Finding No. 6:** Program management did not ensure that it obtained and reviewed required audits of subrecipients.

**Corrective Action: In-progress** – The OOE has developed and implemented an audit tracking spreadsheet to document the request made to subrecipients to submit a copy of the required audit reports, or that they complete an Audit Certification Form to indicate an audit was not required. The OOE has also developed and implemented an audit checklist to document the review of audit reports, and has provided the grant managers with training on the audit review procedures. The OOE is in the process of updating the written policies and procedures to address the receipt and review of subrecipient audit reports.

**Follow-up by the Office of Inspector General Internal Audit Group: Will be performed.**

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