



# Florida Department of Agriculture and Consumer Services Office of Inspector General

## External Audit Status Report

August 2013

Report No. AG 2013-161

### Compliance and Internal Controls Over Financial Reporting and Federal Awards

#### AT A GLANCE

The Inspector General is required by Section 20.055(5)(h), Florida Statutes, to report to the Commissioner of Agriculture on the status of corrective actions taken on reports published by the Auditor General. The Auditor General's report on Compliance and Internal Controls Over Financial Reporting for Fiscal Year Ended June 30, 2012, contained four findings and recommendations that required corrective action by the department. The status of corrective action, as reported by management, is summarized in this report.

#### FINDINGS DETAIL

##### *CHILD NUTRITION CLUSTER*

**Finding No. FA 12-002:** Program management had not implemented certain access security controls for the Child Nutrition Program (CNP) System.

**Recommendation:** Program management stated that enhancements to CNP System access security controls went into effect on July 11, 2012. We recommend that FDACS ensure that enhancements to the access security controls were properly implemented.

**Status:** Corrected

Written policies and procedures governing changes to computer applications are 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 and all approvals are being maintained in the department's Remedy System. 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 and tested and went into effect on July 11, 2012.

**Finding No. FA 12-003:** 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).

**Recommendation:** We recommend that FDACS ensure that accurate DUNS numbers are obtained for all existing sponsors and that all required key data elements are timely reported in FSRS.

**Status:** Corrected

The Bureau of Finance and Accounting was unable to file timely reports for the first few months after the Food and Nutrition Services was transferred from the Florida Department of Education in January 2012, mainly due to difficulties encountered with the Federal Subaward Reporting System (FSRS). Constraints of the FSRS system include timing out issues, problems with batch upload, and the inability to move an award from one reporter to another. The bureau has implemented new procedures to ensure the timely filing of the reports. In addition, the

bureau is working with Division of Food, Nutrition and Wellness staff to have the new Child Nutrition Program system supply the data required for FSRS reporting, which will facilitate filing the reports. The new system is scheduled for implementation on July 1, 2014.

#### *STATE ENERGY PROGRAM*

**Finding No. FA 12-015:** FDACS did not correctly reimburse one subgrantee.

**Recommendation:** We recommend that FDACS ensure that reimbursements to subgrantees are properly supported.

**Status:** Corrected

Upon notification to the subrecipient of the overage, the subrecipient was able to provide an explanation and documentation to substantiate an overpayment was not made. Upon further review, the Office of Energy (OOE) has determined that the payments in question were split between two invoices and no overage or duplication of payment occurred.

**Finding No. 12-016:** FDACS procedures were not adequate to ensure that all subrecipient audit reports were obtained and reviewed. In addition, FDACS did not timely review audit reports in order to determine whether management decisions and corrective actions were required.

**Recommendation:** We recommend that FDACS enhance its procedures to ensure that FDACS timely receives, reviews, and issues

management decisions for subrecipient audit reports.

**Status:** Corrected

The OOE has developed and implemented an audit tracking spreadsheet to document the request made to subgrantees 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. In addition, the OOE has updated the written policies and procedures to address the receipt and review of subgrantee audit reports.

\*\*\*End of Report\*\*\*

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This follow-up was conducted in conformance with the applicable standards for the General Principles and Standards for Offices of Inspector General, the International Standards for the Professional Practice of Internal Auditing, and Information Systems Auditing Standards as published by the Association of Inspectors General, the Institute of Internal Auditors and the Information Systems Audit and Control Association, respectively.

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