



Florida Fish and Wildlife Conservation Commission
Office of Inspector General

**Advisory Memorandum
IA-1513 Auditor General Operational Audit Follow-Up
July 1, 2015**

Executive Summary

The purpose of this memorandum is to report the progress and status of the Florida Fish and Wildlife Conservation Commission's (Commission) efforts to complete action items established to address issues identified in the State of Florida Auditor General's (AG) Operational Audit (Report Number 2015-081).

Based on the results of our follow-up review, we determined that management took adequate, effective and timely actions in response to three of the eight AG recommendations. The OIG will conduct a follow-up review of the remaining five recommendations in six months.

Introduction and Background

In 2014, the AG conducted an operational audit of the Commission's revenue collection processes and select administrative activities. The AG issued a report based on their findings in January of 2015. The report contained multiple findings and recommendations for strengthening and improving Commission controls.

Specifically, the AG's audit determined the following:

- The Commission had not allocated to the State Game and Marine Resources Conservation Trust Funds, the 2011-12 and 2012-13 fiscal years' interest earnings associated with the proceeds from the sale of 5-year licenses and permits.
- The Commission had not established policies and procedures for the collection and use of social security numbers (SSNs). In addition, the Commission did not always provide a written notification regarding the purpose for collecting the SSNs to each individual whose social security number was collected.

*FWC Office of Inspector General
IA-1513 Auditor General Operational Audit Follow-up*

- The Commission did not always ensure that employees responsible for handling cash and checks received required background screenings.
- Controls over daily-use permit fees collected at iron rangers located in Commission management areas could be improved.
- Information technology user access privileges to Commission network and revenue systems were not always timely deactivated upon an employee's separation from Commission employment.
- The Florida Accounting Information Resource (FLAIR) Subsystem user access privileges were not always timely deactivated upon an employee's separation from Commission employment.
- Commission staff did not always timely cancel purchasing cards upon a cardholder's separation from Commission employment.
- Commission staff did not always follow Commission procedures for reporting missing tangible personal property items.

Results of Follow-up Review

The following table contains the findings, recommendations, and management response/corrective actions taken in regards to AG operational audit number 2015-081. In addition, the table contains a status section which presents the current disposition of the findings and recommendations as well as any additional FWC OIG comments/recommendations.

| | |
|--|---|
| Finding Number | 1 |
| AG Finding | <p>The Commission had not allocated to the State Game and Marine Resources Conservation Trust Funds the 2011-12 and 2012-13 fiscal years' interest earnings associated with the proceeds from the sale of 5-year licenses and permits.</p> <p>As of June 2014, Commission staff had not allocated the 2011-12 and 2012-13 fiscal years' interest earnings totaling \$232,912. Subsequent to the AG's audit inquiry, Commission staff allocated interest earnings totaling \$218,375 on July 7, 2014, resulting in an under allocation to the Trust Funds of \$14,537. Subsequent to further audit inquiry, Commission staff correctly allocated the interest earnings for the 2011-12 and 2012-13 fiscal years.</p> |
| AG Recommendation | Commission management should ensure that interest earnings on 5-year license and permit sale proceeds are allocated timely, accurately, and in accordance with State law. |
| FWC Response and Corrective Action Plan | FWC concurs with this finding. The responsibility for monitoring and transferring one fifth of the total proceeds and interest earned from the sale of 5-year hunting and freshwater fishing licenses and from the sale of 5-year saltwater fishing licenses, was moved from the Office of Licensing and Permitting (OLP) to the purview of the Chief Financial Officer, in early June 2014. This change in |

*FWC Office of Inspector General
IA-1513 Auditor General Operational Audit Follow-up*

| | |
|---------------|---|
| | responsibility aligns the required revenue transfers with the office that is responsible for monitoring the health of FWC trust funds. Staff members have been trained to use the correct FLAIR reports to ensure that final year end amounts are used when calculating interest earned. There has been no change to the methodology upon which the quarterly transfer amounts are calculated. |
| Status | <p>Complete: The Commission’s CFO monitors and transfers one fifth of the total proceeds and all interest earned from the sale of 5-year hunting and freshwater fishing licenses and from the sale of 5-year saltwater fishing licenses to the State Game and Marine Resources Conservation Trust Funds.</p> <p>Our review determined the Commission utilized the FLAIR Statement of Revenue Report to properly calculate the 2013/2014 fiscal year interest allocation associated with the proceeds from the sale of 5-year licenses and permits.</p> |

| | |
|--|---|
| Finding Number | 2 |
| AG Finding | The Commission had not established policies and procedures for the collection and use of SSNs. In addition, the Commission did not always provide a written notification regarding the purpose for collecting the SSN to each individual whose social security number was collected. |
| AG Recommendation | Commission management should establish written policies and procedures regarding the collection and use of individuals’ SSNs and continue efforts to ensure that individuals are provided written notification, as required by State law, of the Commission’s purpose for collecting SSNs. |
| FWC Response and Corrective Action Plan | <p>FWC concurs with this finding. The OLP has established and distributed a policy to staff (shown below) regarding the collection and use of social security numbers. This policy clarifies the purposes for which SSNs may be used and requires any form produced or maintained by OLP include the written notification regarding the purpose of collection of SSNs. Additionally, all OLP forms have been reviewed for compliance with his policy and non-compliant forms have been corrected to include the written notification regarding the purpose of collection SSNs.</p> <p>OLP Policy on Collection and Use of Social Security Numbers</p> <p>The Florida Fish and Wildlife Conservation Commission (FWC) collects social security number (SSN) for the issuance of</p> |

*FWC Office of Inspector General
IA-1513 Auditor General Operational Audit Follow-up*

| | |
|---------------|--|
| | <p>recreational and professional fishing or hunting licenses or permits to an individual in accordance with s. 379.352 F.S. and 42 USC 666 for the purposes of administration of the Title IV-D program for child support enforcement, use by the commission, and as otherwise provided by law. SSNs may only be used for the purposes specifically authorized by law. Any form produced or maintained by the Office of Licensing and Permitting (OLP) that collects SSNs must include a written notification regarding the purpose of collecting SSNs. In the event that OLP staff become aware of any FWC form that is not in compliance with this policy, staff must notify OLP management immediately and management will take the necessary steps to ensure the form is brought into compliance.</p> <p>The above policy was communicated to all FWC users on 12/12/14.</p> |
| Status | <p>Complete: The OLP established a Policy on Collection and Use of Social Security Numbers requiring any form that collects SSNs produced or maintained by the OLP include a written notification regarding the purpose of collecting the SSNs. We reviewed 19 forms that collected SSNs and determined 18 of the 19 included written notification regarding the purpose of collecting the SSNs. We notified OLP management of the one omission and the application was immediately updated.</p> <p>Additionally, FWC’s Office of Human Resources (OHR) established an SSN Collection Authority form, which is required for all new employees to sign. The form provides the reasons OHR collects SSNs and lists the forms (used by OHR) which require SSNs.</p> |

| | |
|--------------------------|--|
| Finding Number | 3 |
| AG Finding | <p>The Commission did not always ensure that employees responsible for handling cash and checks received required background screenings.</p> <p>The AG identified 36 field office employees responsible for collecting various fees including daily-use permit fees, fish tag fees, and Ocala Youth Camp registration fees. The AG’s examination of Commission and People First records revealed 29 of the 36 (80%) employees had not received proper background screenings.</p> |
| AG Recommendation | Commission management should ensure that required background screenings are completed for employees in |

*FWC Office of Inspector General
IA-1513 Auditor General Operational Audit Follow-up*

| | |
|--|---|
| | designated positions of special trust, responsibility, or sensitive location. |
| FWC Response and Corrective Action Plan | FWC concurs with this finding. Fingerprint investigations have been completed for all employees involved in the collection process. In addition, position descriptions for all employees involved in iron ranger, Tenoroc, and Okeechobee Game and Fish Tag fees collections have been updated to include a fingerprint investigation requirement. |
| Status | Open: Overall, the position descriptions for the employees involved in the iron ranger collection process were updated to include the background and fingerprint investigation requirement. However, we identified a few instances of position descriptions for field office employees responsible for collecting various fees including daily-use permit fees and fish tag fees which did not require a finger print investigation. We identified 58 field office employees responsible for collecting various fees including daily-use permit fees, fish tag fees, and Ocala Youth Camp registration fees. Our review of Commission and People First records determined eight of the 58 (13%) did not appear to be properly fingerprinted. |
| OIG Recommendation | We recommend Commission management conduct periodic reviews to ensure employees responsible for handling cash and checks are properly fingerprinted. |

| | |
|--|--|
| Finding Number | 4 |
| AG Finding | Controls over daily-use permit fees collected at iron rangers located in Commission management areas could be improved. |
| AG Recommendation | Commission management should strengthen controls over fees collected at iron rangers to promote the collection of appropriate fee amounts and to ensure that collections are appropriately safeguarded. |
| FWC Response and Corrective Action Plan | FWC concurs with this finding. In the best interest of the public, we will develop a regulation proposal to change the daily-use permit for all outdoor recreational activities, with the exception of hunting, from \$4 per person to \$3 per person. This proposed rule change is anticipated to go into effect July 1, 2016. Policies and procedures related to iron ranger collections were communicated to appropriate staff in May 2014. Copies of the procedures are accessible to staff via an internal SharePoint site. Additionally, in regards to the Tenoroc Fish Management Area, we have changed the lock on the collection box and reduced the |

*FWC Office of Inspector General
IA-1513 Auditor General Operational Audit Follow-up*

| | |
|---------------|---|
| | number of keys to one, which will be in the possession of the area manager. We have also implemented a protocol of two people being present when money is collected from the iron ranger. |
| Status | Complete: Overall it appears the Commission strengthened controls over fees collected at the iron rangers. The Commission updated and published the Instructions for Collection and Deposit of Daily-Use Permit Fees on the Wildlife and Habitat Management SharePoint page. The Tenoroc Fish Management Area changed the lock on the iron ranger collection box and reduced the number of keys to one. Additionally, the regulation proposal to change the daily-use permit fee for all outdoor recreational activities, with the exception of hunting at the Tosohatchee WMA continues to be processed with a tentative effective date of July 2016. |

| | |
|--|--|
| Finding Number | 5 |
| AG Finding | As similarly noted in AG report No. 2011-188, information technology user access privileges to Commission network and revenue systems were not always timely deactivated upon an employee's separation from Commission employment. |
| AG Recommendation | Commission management should strengthen IT controls to better ensure that user access privileges to the Commission network and revenue systems are timely deactivated upon employment or contractual termination. Additionally, Commission management should enhance CSLS, CCWS, and Permit Me controls to ensure records are maintained to demonstrate timely deactivation of access privileges upon a user's separation from Commission employment, or when access is no longer required. |
| FWC Response and Corrective Action Plan | Upon receipt of a Departed User form, the Office of Information Technology (OIT) runs a script which disables the user account, changes the password, and removes access groups from the user account (for example, network folders). The above mentioned control prohibits departed users from accessing the FWC network. Certain situations (investigations, supervisors requesting access and/or copies of emails and files, etc.) require the accounts to remain open; however, the departed user can no longer access the account. The Departed User forms are not completed (resulting in account deletion) until the above mentioned situations are satisfied. The FWC recognizes the need for strengthened controls over the Departed User process. The OIT has since updated the Departed User form to include account disable and deletion dates. Additionally, the forms also include dates related to the removal of access from RLIS, CSLS, CCWS, Permit Me |

*FWC Office of Inspector General
IA-1513 Auditor General Operational Audit Follow-up*

| | |
|---------------------------|---|
| | and FLAIR. All appropriate individuals are included in the work flow of the new Departed User form. |
| Status | <p>Open: The Commission updated the Departed User form to include the disable and deletion dates for the information technology user access privileges to Commission network and revenue systems accounts. Upon receipt of the Departed User form, the OIT disables user access to the Commission network, PermitMe, CSLS and other systems. As the Departed User forms are uploaded into SharePoint, a notification is distributed to the Finance and Budget Office (FBO). Upon receipt of the notification, FBO disables the user's access to FLAIR.</p> <p>The AG considered the removal of access privileges to be timely when access is removed within 1 business day of an employee's date of separation. Our review of 14 separated employees (employees who separated between January 2015 through June 1, 2015) revealed 7 of the 14 (50%) employees' network privileges were disabled untimely. The delays resulted from supervisors not timely submitting the Departed User form.</p> |
| OIG Recommendation | We recommend Commission management issue an email reminding Commission supervisory staff to immediately submit the Departed User form upon an employee's separation from Commission employment. |

| | |
|--|---|
| Finding Number | 6 |
| AG Finding | <p>As similarly noted in AG report No. 2011-188, FLAIR Subsystem user access privileges were not always timely deactivated upon an employee's separation from Commission employment.</p> <p>The AG reviewed 37 users with FLAIR update capabilities who had separated from Commission employment and determined FLAIR user access privileges for 23 (62%) users remained active from 2 to 270 business days after the users' termination dates.</p> |
| AG Recommendation | Commission management should continue efforts to strengthen controls and ensure that FLAIR user access privileges are timely deactivated upon employment termination. |
| FWC Response and Corrective Action Plan | FWC concurs with this finding. FLAIR access control procedures were established and communicated to all users, effective July 3, 2014. These procedures will continue to be followed and FLAIR access privileges will be routinely reviewed. |

*FWC Office of Inspector General
IA-1513 Auditor General Operational Audit Follow-up*

| | |
|---------------------------|--|
| Status | <p>Open: The Commission established and distributed FLAIR access control procedures, effective July 3, 2014. The FBO disables FLAIR access privileges upon notification from a user's supervisor or an automated alert notifying the FBO a supervisor has submitted a Departed User form. While the Commission continues its efforts to ensure that FLAIR access privileges are timely disabled, some FLAIR access privileges continue to be disabled untimely.</p> <p>Our follow-up review included 10 users with FLAIR update capabilities who had separated from Commission employment. Our review determined FLAIR user access privileges for 2 (20%) users remained active for four and seven business days after the users' termination dates. According to the FBO, the delays were a result of the supervisors' untimely submission of the Departed User forms.</p> |
| OIG Recommendation | <p>We recommend Commission management issue an email reminding Commission supervisory staff to immediately submit the Departed User form upon an employee's separation from Commission employment. Additionally, we recommend Commission management remind Commission supervisory staff to immediately notify FBO when an employee with FLAIR update capabilities separates from Commission employment.</p> |

| | |
|--|--|
| Finding Number | 7 |
| AG Finding | <p>Commission staff did not always timely cancel purchasing cards upon a cardholder's separation from Commission employment.</p> <p>The AG reviewed 83 cardholders who had separated from Commission employment and found that 45 of the 83 (54%) cardholders' PCards were canceled untimely, ranging from two to 18 business days after the cardholders' separation from Commission employment.</p> |
| AG Recommendation | <p>Commission management should continue efforts to ensure that PCards are timely canceled when cardholders separate from Commission employment.</p> |
| FWC Response and Corrective Action Plan | <p>FWC concurs with this finding. The FBO established an email distribution group for FBO notifications. FBO staff members now receive auto-generated emails, notifying them of departed users. Staff members have also been instructed to set up deactivation alerts via SharePoint. These alerts automatically generate emails, notifying the appropriate individuals of departed users.</p> |

*FWC Office of Inspector General
IA-1513 Auditor General Operational Audit Follow-up*

| | |
|---------------------------|--|
| Status | <p>Open: The Commission established an email distribution group for the FBO to receive auto-generated notifications upon submission of a Departed User form. While the Commission continues its efforts to ensure that PCards are timely canceled when cardholders separate from Commission employment, some PCards continue to be untimely canceled. Our review of Commission records determined 89 cardholders' PCards were canceled from January 1, 2015 through June 10, 2015.</p> <p>Our review of 80 cardholders who had separated from Commission employment found that 23 of the 80 (28.75%) cardholders' PCards were canceled untimely. The cancellations ranged from two to 42 business days after the cardholders' separation from Commission employment. According to the FBO, the majority of the PCards were canceled untimely due to the FBO not receiving prompt notification of the cardholders' separation from Commission employment. The notification is sent upon receipt of the Departed User form.</p> |
| OIG Recommendation | <p>We recommend Commission management issue an email reminding Commission supervisory staff to immediately submit the Departed User form upon an employee's separation from Commission employment. Additionally, we recommend the FBO accurately document the reason for cancelling PCards.</p> |

| | |
|--|---|
| Finding Number | 8 |
| AG Finding | <p>As similarly noted in AG report No. 2011-188, Commission staff did not always follow Commission procedures for reporting missing tangible personal property items.</p> |
| AG Recommendations | <p>Commission management should continue efforts to ensure that PC-201 forms are timely submitted and routed to all applicable personnel for appropriate action.</p> |
| FWC Response and Corrective Action Plan | <p>FWC concurs with this finding. The FBO developed custodian instructions, which were placed on SharePoint for reference and access. These instructions direct custodians to timely submit the PC 201 form (Missing Property) as per Agency Internal Management Policy and Procedure 5.8. Additionally, the FBO is also taking steps to monitor the electronic workflow for the PC 201 form in InfoPath to ensure the workflow routes to the appropriate personnel. The Commission is currently in the process of moving all InfoPath based forms to a more stable web-based platform.</p> |
| Status | <p>Open: The FBO published Property Custodian Expectations on the FBO SharePoint page for employee reference and access.</p> |

*FWC Office of Inspector General
IA-1513 Auditor General Operational Audit Follow-up*

| | |
|--|---|
| | <p>The FBO stated weekly reviews of the reporting process are conducted to ensure the Notification of Missing Property forms are properly routed to all applicable personnel for appropriate action. Additionally, the Commission is currently in the process of developing a more stable web-based platform, which is scheduled to be implemented in July 2015.</p> <p>We reviewed a sample of property items reported as lost, missing, destroyed or stolen during the 2013-2014 fiscal year inventory. The Notification of Missing Property forms for the property items identified as missing, lost or destroyed during the inventory were timely submitted to the Asset Management Office and were properly routed to all applicable personnel for appropriate action. However, we determined two of the five items identified as stolen were not reported to the Asset Management Office within 14 days of the loss being noted by the employee, in violation of Section 5.8.8, Internal Management Policy and Procedure.</p> |
| <p style="text-align: center;">OIG Recommendation</p> | <p>We recommend management issue an email reminding Commission staff to submit the Notification of Missing Property form within 14 days of the loss being noted by the employee.</p> |

Attachment 1 - Purpose, Scope and Methodology

Section 20.055, F.S., requires the OIG to conduct audits, investigations and management reviews related to programs and operations of the Commission. This review was performed as part of the OIG's mission to promote accountability, integrity and efficiency for the citizens of Florida by providing objective, timely audit and investigative services.

The **purpose** of this review was to monitor the disposition of recommendations communicated to functional management as a result of AG engagement number 2015-081, FWC Operational Audit.

Our **scope** included a review of the audit findings, recommendations, correcting actions, and action status identified as a result of AG engagement number 2015-081.

To achieve our purpose, we used the following **methodology**:

- Reviewed findings, corrective actions, and recommendations from AG engagement number 2015-081;
- Reviewed applicable agency policies, procedures, and processes;
- Interviewed appropriate agency personnel; and
- Reviewed other applicable documentation.

Attachment 2 – Engagement Team and Statement of Accordance

This review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors as well as applicable Principals and Standards for Offices of Inspector General published by the Association of Inspectors General. This review was conducted by Internal Auditor, Ashlea Whiddon, and was supervised and directed by the Director of Auditing, Magen Naret. Please address inquiries regarding this report to the Director of Auditing.

Requests for copies of the final report may be made by E-mail to Mike.Troelstrup@MyFWC.com, by telephone (850-488-6068), by FAX (850-488-6414), in person, or by mail at 620 South Meridian Street, Tallahassee, FL 32399.

Attachment 3 – Addressee and Distribution List

Addressee:

Nick Wiley, Executive Director

Copies distributed to:

Eric Sutton, Assistant Executive Director
Jennifer Fitzwater, Chief of Staff
Jodi Bailey, Chief Operating Officer
Bill Hunter, Director of License and Permitting
Alexandra Weimorts, Director of Finance and Budget
Nacho Sanchez, Chief Information Officer
Sherrill Foltz Norman, Auditor General
Kathy Dubose, Joint Legislative Audit Committee