

**DEPARTMENT OF AGRICULTURE AND  
CONSUMER SERVICES**

**PRIOR AUDIT FOLLOW-UP**

---

**Operational Audit**



## COMMISSIONER OF AGRICULTURE

Section 20.14, Florida Statutes, creates the Department of Agriculture and Consumer Services. The head of the Department is the Commissioner of Agriculture. The Honorable Adam H. Putnam served as Commissioner during the period of our audit.

The audit team leader was Samantha Perry, CPA. Please address inquiries regarding this report to Christi Alexander, CPA, Audit Manager, by e-mail at [christialexander@aud.state.fl.us](mailto:christialexander@aud.state.fl.us) or by telephone at (850) 412-2786.

This report and other reports prepared by the Auditor General can be obtained on our Web site at [www.myflorida.com/audgen](http://www.myflorida.com/audgen); by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

**DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

Prior Audit Follow-Up

**SUMMARY**

This operational audit of the Department of Agriculture and Consumer Services (Department) focused on evaluating actions taken by the Department to correct deficiencies noted in our report No. 2012-161 related to the Department’s revenue collection process and access to Department information technology resources. The audit also included an evaluation of the Division of Consumer Services’ handling of consumer complaints and selected Department administrative activities. Our audit disclosed the following:

**Finding No. 1:** As similarly noted in our report No. 2012-161, the Department did not always timely provide timber sales collections to other State agencies to facilitate compliance with statutory deposit requirements.

**Finding No. 2:** As similarly noted in prior reports, most recently in our report No. 2012-161, the Department did not always timely cancel information technology user access privileges upon an employee’s separation from Department employment. Additionally, the Department’s policies and procedures did not appropriately reduce the risk that unauthorized access may occur.

**BACKGROUND**

The mission of the Department of Agriculture and Consumer Services (Department) is to safeguard the public and support the State’s agricultural economy by:

- Ensuring the safety and wholesomeness of food and other consumer products through inspection and testing programs;
- Protecting consumers from unfair and deceptive business practices and providing consumer information;
- Assisting State farmers and agricultural industries with the production and promotion of agricultural products; and
- Conserving and protecting the State’s agricultural and natural resources by reducing wildfires, promoting environmentally safe agricultural practices, and managing public lands.

State law<sup>1</sup> provides that the head of the Department is the Commissioner of Agriculture and also establishes the Department’s 12 divisions: Administration; Agricultural Environmental Services; Animal Industry; Aquaculture; Consumer Services; Florida Forest Service; Food, Nutrition, and Wellness; Food Safety; Fruit and Vegetables; Licensing; Marketing and Development; and Plant Industry.

**FINDINGS AND RECOMMENDATIONS**

**Finding No. 1: Timber Sales**

The Division of Florida Forest Service (FFS) is responsible for managing State forests, including facilitating recreational use by the public, wildfire protection, and stewardship and conservation of natural resources. Forest resource management and stewardship duties include the execution of planned timber harvests and restoration, as well as unplanned timber harvests made necessary by natural disaster or insect infestation. The FFS oversees the harvest and sale of timber from State forests, including areas managed by other governmental entities such as municipalities,

<sup>1</sup> Section 20.14, Florida Statutes.

counties, the Department of Environmental Protection (DEP), and the Fish and Wildlife Conservation Commission (FWCC).

In our report No. 2012-161, finding No. 4, we noted that the Department did not always timely provide timber sales collections to other governmental entities. We recommended that the Department ensure that all moneys received on behalf of other governmental entities be timely remitted to those entities.

As part of our audit follow-up procedures, we evaluated the Department’s process for transferring State forest timber sales proceeds to the DEP and the FWCC including whether the proceeds were provided in a manner to facilitate State agency compliance with statutory deposit requirements. Pursuant to State law,<sup>2</sup> all funds received by a State officer are to be deposited into the State Treasury no later than 7 working days from the close of the week in which the funds are received. According to Department records, during the period July 2012 through January 2014 the Department transferred 139 checks totaling \$1,711,808 to the DEP and 92 checks totaling \$509,146 to the FWCC for timber sales proceeds.

Our audit procedures disclosed that, upon the sale of timber on State lands managed by the DEP or the FWCC, the Department collected two checks from the timber purchaser. One check was payable to the Department for timber preparation and administrative services and the second check was payable to either the DEP or the FWCC, as applicable, for the remaining portion of the timber sales proceeds. Memoranda of Agreement (MOAs) between the Department and the DEP and the Department and the FWCC required that the Department transfer timber sales proceeds to the DEP and the FWCC once per month.

Our examination of Department records for 20 checks transferred (10 to the DEP and 10 to the FWCC), totaling \$177,911 and made during the period July 2012 through January 2014, again disclosed that checks were not always timely provided to the DEP and the FWCC to facilitate compliance with the statutory deposit requirements. Specifically, the Department transferred 14 of the 20 checks to the DEP or the FWCC more than 7 working days after receipt. The number of working days from Department receipt to the transfer of the 14 checks ranged from 15 to 47 days and averaged 30 days.

In response to our audit inquiry, Department management indicated that the MOA requirement to transfer once per month the checks collected on behalf of the DEP and the FWCC enabled the Department to complete a sale close out, process all payments, and prepare transfer summaries without causing excess workload or expense. Department management also stated that some of the check transfer delays were due to employee performance issues. Notwithstanding the explanations provided by Department management, absent the prompt transfer of checks for timber sales proceeds, the State agencies’ ability to timely deposit funds in the State Treasury in accordance with State law is inhibited and the risk of theft or loss is increased.

---



---

**Recommendation:** To facilitate State agency compliance with statutory deposit requirements and reduce the risk of theft or loss, we recommend that Department management amend its MOAs with the DEP and the FWCC to provide for the timely transfer of checks for timber sales proceeds.

---



---

**Finding No. 2: Information Technology Access Controls**

Effective information technology (IT) access controls include provisions to timely remove employee access privileges for inactive accounts and when employment terminations occur. Department policies and procedures<sup>3</sup> provided

<sup>2</sup> Section 116.01(1), Florida Statutes.

<sup>3</sup> Department Administrative Policies and Procedures No. 1-18, *CAPAS and Department-Issued Property Items*.

guidance related to the management of IT user accounts upon an employee's separation from an assigned position or last day in the office, whichever occurred first.

In prior reports, most recently in our report No. 2012-161, finding No. 8, we disclosed delays in the termination of IT access privileges upon users' separation from Department employment for the Administrative Image Management System (AIMS),<sup>4</sup> the Revenue and Receipts Accounting (REV) System,<sup>5</sup> and the Florida Accounting Information Resource Subsystem (FLAIR).<sup>6</sup> As part of our audit follow-up procedures, we reviewed Department records to identify employees with access privileges to these systems who had separated from employment during the period July 2012 through December 2013. Additionally, we performed similar procedures to identify employees with access privileges to the Division of Consumer Services (DOCS) System<sup>7</sup> who had separated from Department employment during the period July 2012 through January 2014. We then compared employee separation dates recorded in People First<sup>8</sup> to the dates Department records showed each former employee's user access privileges as canceled. For audit purposes, we considered the cancellation of access privileges to be timely if it occurred within 1 business day of the user's separation from employment. Our audit procedures again disclosed that user access privileges were not always timely canceled upon an employee's separation from Department employment. Specifically:

- For 43 of 146 AIMS user accounts, 2 to 39 business days (average of 4 business days) elapsed from the date of employee separation to the date AIMS user access was canceled.
- For 11 of 38 REV System user accounts, 2 to 4 business days (average of 3 business days) elapsed from the date of employee separation to the date REV System user access was canceled.
- For 8 of 40 FLAIR user accounts, access privileges were not timely canceled. For 7 of the 8 user accounts, 2 to 4 business days (average of 2 business days) elapsed from the date of employee separation to the date FLAIR user access was canceled. The access privileges for the other FLAIR user account remained active for 218 business days after the employee's termination.
- For 23 of 52 DOCS System user accounts, 2 to 371 business days (average of 39 business days) elapsed from the date of employee separation to the date DOCS System user access was canceled. Additionally, as of August 6, 2014, DOCS System access privileges for six former employees had remained active from 121 to 526 business days (average of 279 business days) after the employees' separation dates.

Effective September 24, 2012, the Department revised its policies and procedures to extend the time permitted to cancel user accounts from 2 business days to 10 business days. In the Department's 6-month response on the status of corrective actions taken<sup>9</sup> related to the findings in our report No. 2012-161, Department management indicated that the policy revision extending to 10 business days the period of time to cancel access privileges after a user's separation from employment was made to provide a more reasonable time period to cancel access privileges. However, delays in canceling user access privileges increases the risks of inappropriate access to IT resources and unauthorized disclosure, modification, or destruction of Department data and IT resources. The Department's policy, which allows for a 10-business-day cancellation period, does not appropriately minimize these risks.

---

<sup>4</sup> AIMS is the online procurement system used by the Department to facilitate the purchase of goods and services and serves as an electronic records imaging system.

<sup>5</sup> The REV System is used to account for moneys collected by the Department.

<sup>6</sup> FLAIR is the State's accounting system.

<sup>7</sup> The DOCS System is used by the Department to document and track the work performed by the Division to mediate consumer complaints brought against State businesses. The DOCS System contains information about consumers and businesses (e.g., names, addresses, and telephone numbers), the types of complaints filed by consumers, and any communications made to or on behalf of the identified businesses.

<sup>8</sup> People First is a Web-based, self-service personnel information system utilized by employees, managers, human resource professionals, and retirees to manage most of the State's human resource functions.

<sup>9</sup> Section 20.055(5)(h), Florida Statutes, requires that no later than 6 months after the Auditor General publishes a report on the State agency, the inspector general provide a written response to the agency head on the status of corrective actions taken.

**Recommendation:** To minimize the risk of compromising Department data and IT resources, we again recommend that Department management ensure that all IT access privileges are canceled immediately upon a user’s separation from employment. Additionally, we recommend that Department management revise Department policies and procedures to provide for the immediate cancellation of all user IT access privileges upon an employee’s separation from Department employment.

**PRIOR AUDIT FOLLOW-UP**

Except as discussed in the preceding paragraphs, the Department had taken corrective actions for selected findings included in our report No. 2012-161.

**OBJECTIVES, SCOPE, AND METHODOLOGY**

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 December 2013 through June 2014 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 focused on evaluating actions taken by the Department to correct deficiencies noted in our report No. 2012-161 related to the Department’s revenue collection process and access to Department IT resources. The audit also included an evaluation of the Division of Consumer Services’ handling of consumer complaints and selected Department 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 assigned responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and guidelines.
- To examine internal controls designed and placed in 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.
- To determine whether management had corrected, or was in the process of correcting, selected deficiencies noted in our report No. 2012-161.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management’s internal controls, 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; 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, abuse, or inefficiency.

In conducting our audit we:

- Evaluated Department actions taken to correct selected findings noted in our report No. 2012-161. Specifically, we:
  - Examined Department records for 40 revenue transactions, totaling \$686,068, made during the period July 2012 through January 2014 for the Divisions of Animal Industry, Florida Forest Service, Food Safety, and Fruit and Vegetables to determine whether the Department had established and implemented procedures to require the issuance of receipts or other control documents upon collection, the immediate restrictive endorsement of checks, and the use of a transmittal document for each transfer of custodial responsibility for collections.
  - Examined three reconciliations performed by the Department between the REV System and FLAIR during the period July 2012 through January 2014 to determine whether the Department had taken steps to ensure that noted reconciliation discrepancies were timely resolved and that sufficient records were maintained.
  - Examined Department records for 20 timber sale checks, totaling \$177,911, received by the Department on behalf of the DEP and the FWCC during the period July 2012 through January 2014 to determine whether the checks were timely provided to the DEP and the FWCC.
  - Examined the three reconciliations performed by the Department of fair ride permit revenue collected to fair ride permit decals issued during the period July 2012 through January 2014 to determine whether the Department had improved accountability for permit decals.
  - Examined 13 animal health certificate book orders of 25 or more books placed with the Department during the period July 2012 through January 2014 to determine whether the Department took steps to ensure that all amounts due from veterinarians were collected for each animal health certificate issued.
  - Examined four monthly reconciliations performed by the Department between the animal health certificates ordered, amounts invoiced to veterinarians, and amounts collected during the period July 2012 through January 2014 to determine whether the Department had taken steps to ensure that noted reconciliation differences were timely resolved and that sufficient records were maintained.
  - Evaluated the timeliness of the cancellation of IT system user accounts (146 AIMS, 38 REV System, and 40 FLAIR) for Department employees who separated from employment during the period July 2012 through December 2013.

- Evaluated the timeliness of the cancellation of 52 Division of Consumer Services (DOCS) System user accounts for employees who separated from Department employment during the period July 2012 through January 2014.
- Reviewed applicable laws and Department policies and procedures and interviewed Department personnel to gain an understanding of the Division of Consumer Services' (Division's) handling of consumer complaints.
- Obtained an understanding of internal controls and evaluated the effectiveness of the Division's processes and procedures for handling consumer complaints.
- Conducted inquiries with Division personnel, reviewed policies and procedures, and evaluated selected IT controls to determine whether controls had been designed and implemented to ensure the reliability and safeguarding of the DOCS System data and IT resources.
- Evaluated the Division's complaint monitoring process to determine whether the Division had:
  - Developed an adequate system to evaluate the Division's handling of consumer complaints.
  - Developed an effective management review process for consumer complaints not resolved by the Division.
  - Developed adequate consumer satisfaction measures as part of the Department's performance measurement system.
- Examined Department records for 160 consumer complaints closed during the period July 2012 through January 2014 to determine whether, as applicable, Division personnel had:
  - Provided timely assistance and responses to consumer questions.
  - Maintained complete and accurate records and compiled summaries and analyses of consumer complaints and the associated dispositions in accordance with State law.
  - Timely transmitted consumer complaints and grievances to the agency most directly concerned.
    - For consumer complaints that involved more than one agency, we evaluated whether Division personnel timely referred copies of the complaint to those agencies deemed to have concurrent jurisdiction.
  - For complaints with no directly applicable agency, we evaluated whether the Division timely sought a settlement of the complaint using formal or informal methods of mediation and conciliation.
- Reviewed applicable laws, rules, and other State guidelines to obtain an understanding of the legal framework governing Department operations.
- Observed, documented, and evaluated the effectiveness of selected Department processes and procedures for:
  - The Department's budgetary, purchasing, and cash management processes.
  - Ensuring the management of Department tangible personal property in compliance with applicable laws and rules. The acquisition costs of Department tangible personal property totaled approximately \$178.2 million as of December 31, 2013.
  - The assignment and use of motor vehicles with acquisition costs totaling \$40,788,048 as of January 22, 2014.
  - The management of Department purchasing cards with related transactions totaling \$19,993,149 during the period July 2012 through November 2013.
  - The administration of Department travel. Department travel costs totaled \$5,668,618 during the period July 2012 through November 2013.
  - The Department's acquisition, assignment, and use of wireless devices with related costs totaling \$512,764 for the period July 2012 through November 2013.

- The management of Florida Single Audit Act activities in accordance with State law.
- Inquired with Department management regarding the processes for collecting and utilizing individuals' social security numbers and reviewed three Department forms to determine the extent of Department compliance with the applicable requirements of State law.
- Examined FLAIR access control records for 323 user profiles to determine whether the access privileges were incompatible or excessive for the user's assigned job duties.
- 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.

**AUTHORITY**

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.



David W. Martin, CPA  
Auditor General

**MANAGEMENT'S RESPONSE**

In a response letter dated September 5, 2014, the Assistant Commissioner of Agriculture provided responses to our audit findings and recommendations. The Assistant Commissioner's letter is included as **EXHIBIT A**.

EXHIBIT A  
MANAGEMENT'S RESPONSE

OFFICE OF THE COMMISSIONER  
(850) 617-7700



THE CAPITOL  
400 SOUTH MONROE STREET  
TALLAHASSEE, FLORIDA 32399-0800

FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
COMMISSIONER ADAM H. PUTNAM

---

September 5, 2014

David W. Martin, CPA  
Auditor General  
Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Auditor General Martin:

The following comments are provided in response to the preliminary and tentative audit findings and recommendations in a report on the Florida Department of Agriculture and Consumer Services (department), Prior Audit Follow-Up. We appreciate the opportunity to respond to the findings outlined in your report. We are always interested in improving our processes and will continue to implement improvements, as appropriate.

**Timber Sales**

Finding No. 1:

As similarly noted in our report No. 2012-161, the department did not always timely provide timber sales collections to other state agencies to facilitate compliance with statutory deposit requirements.

Recommendation:

To facilitate state agency compliance with statutory deposit requirements and reduce the risk of theft or loss, we recommend that department management amend its MOAs with the DEP and the FWCC to provide for the timely transfer of checks for timber sales proceeds.

Response:

The Florida Forest Service (FFS) is changing its procedures for handling checks received for other agencies. When checks for other agencies are received in the field, FFS field foresters will send the check along with all associated paperwork directly to the addressed agency rather than sending it first to the FFS office in Tallahassee. These checks will either be hand delivered to the agency or sent by U.S. mail, with a signature confirmation required upon receipt. The reconciliation will be processed as scheduled, and if a discrepancy is found, an adjustment notice will be provided to the timber company. If the FFS field staff will be out for an extended period



**EXHIBIT A (CONTINUED)**  
**MANAGEMENT'S RESPONSE**

David W. Martin  
September 5, 2014  
Page Two

of time, arrangements will be made for someone to process payments in their place, or the vendor will be notified of the absence and instructed to suspend payments temporarily.

This amended process will allow the FFS to meet the statutory requirement for checks to be deposited within seven working days from the close of the week in which the funds were received.

**Information Technology Access Controls**

Finding No. 2:

As similarly noted in prior reports, most recently in our report No. 2012-161, the department did not always timely cancel information technology user access privileges upon an employee's separation from department employment. Additionally, the department's policies and procedures did not appropriately reduce the risk that unauthorized access may occur.

Specifically:

- For 43 of 146 AIMS user accounts, 2 to 39 business days (average of 4 business days) elapsed from the date of employee separation to the date AIMS user access was canceled.
- For 11 of 38 REV System user accounts, 2 to 4 business days (average of 3 business days) elapsed from the date of employee separation to the date REV System user access was canceled.
- For 8 of 40 FLAIR user accounts, access privileges were not timely canceled. For 7 of the 8 user accounts, 2 to 4 business days (average of 2 business days) elapsed from the date of employee separation to the date FLAIR user access was canceled. The access privileges for the other FLAIR user account remained active for 218 business days after the employee's termination.
- For 23 of 52 DOCS System user accounts, 2 to 371 business days (average of 39 business days) elapsed from the date of employee separation to the date DOCS System user access was canceled. Additionally, as of August 6, 2014, DOCS System access privileges for six former employees had remained active from 121 to 526 business days (average of 279 business days) after the employees' separation dates.

Recommendation:

To minimize the risk of compromising department data and IT resources, we again recommend that department management ensure that all IT access privileges are canceled immediately upon a user's separation from employment. Additionally, we recommend that department management revise department policies and procedures to provide for the immediate cancellation of all user IT access privileges upon an employee's separation from department employment.

**EXHIBIT A (CONTINUED)  
MANAGEMENT'S RESPONSE**

David W. Martin  
September 5, 2014  
Page Three

Response:

The department will continue to work with all supervisors to ensure they are knowledgeable of the requirement to remove user access codes when an employee separates from the department.

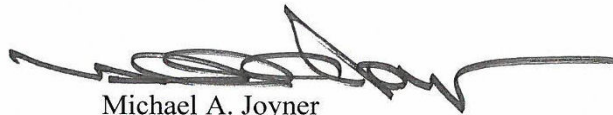
We will also review our current process to determine whether changes can be made to improve the timeliness of the removal of access codes.

The department understands the importance of removing access rights as soon as possible after separation. However, the normal flow of information from the state's personnel and payroll systems does not always provide timely or adequate details which would allow for the immediate removal of access rights. Therefore, the department will revise its current Administrative Policy and Procedure to require that the user's access privileges be cancelled within five business days from separation. The department feels this is reasonable based upon the availability of personnel information and minimizes the department's liability that any potential breach would occur.

In addition, the Division of Consumer Services will implement new procedures to increase the timely cancellation of a user's access to the DOCS. The division is designing a new form that will allow the Consumer Services personnel liaison to stop-date the user's profile in the DOCS based on the employee separation date. By stop-dating the user profile, all navigation controls are disabled, and even if the user were able to log into the system, the user could not navigate to any forms. In effect, the user would not be able to move off of the Main Menu page. This revised process puts control of the user's profile directly in the hands of the personnel liaison, eliminating the need to provide notification emails, and such, to others to stop-date the user profile. In addition, reports can be generated to track the actions of the personnel liaison regarding user profile management.

Please let me know if you have any questions or concerns at (850) 617-7700 or email [Mike.Joyner@FreshFromFlorida.com](mailto:Mike.Joyner@FreshFromFlorida.com).

Sincerely,



Michael A. Joyner  
Assistant Commissioner

MJ/nrh