

**DEPARTMENT OF AGRICULTURE AND
CONSUMER SERVICES**

SELECTED INSPECTION PROGRAMS

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 Danta M. White, CPA. Please address inquiries regarding this report to Christi Alexander, CPA, Audit Manager, by e-mail at 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; 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

Selected Inspection Programs

SUMMARY

This operational audit of the Department of Agriculture and Consumer Services (Department) focused on selected inspection programs administered by the Division of Aquaculture, Division of Consumer Services, and Division of Fruit and Vegetables. Our audit disclosed the following:

Finding No. 1: Some Department inspection policies and procedures could be enhanced by specifying the manner in which the inspections are to be conducted and documented.

Finding No. 2: The Department did not always ensure that inspections were properly conducted and adequately documented in accordance with established rules and procedures.

Finding No. 3: The Department did not always timely conduct re-inspections of commercial measuring devices.

Finding No. 4: The Department did not always maintain documentation of shellfish processing plant inspector certification.

Finding No. 5: The Department did not always follow information technology (IT) change management policies and procedures.

Finding No. 6: IT security controls for the Brix Acid Unit System, Citranet, and Shellfish Shippers Database need improvement.

Finding No. 7: Some Brix Acid Unit System users' access privileges were inappropriate and unnecessary for the performance of the duties assigned to their positions.

BACKGROUND

The mission of the Department of Agriculture and Consumer Services (Department) includes safeguarding the public and supporting the State's agricultural economy by ensuring the safety and wholesomeness of food and other consumer products through inspection and testing programs. According to the Department, eight divisions¹ and one office² perform regulatory responsibilities that include inspections. Those divisions' responsibilities include, but are not limited to, licensing, inspecting, and regulating aquaculture facilities and shellfish processing plants, food establishments, fresh shipments of fruits and vegetables, processed citrus, and weighing and measuring devices.³

FINDINGS AND RECOMMENDATIONS

Finding No. 1: Inspection Policies and Procedures

The Department conducts a wide range of inspections across eight divisions and one office. Each division and office had established policies and procedures which addressed the specific inspection processes. According to the

¹ Division of Agricultural Environmental Services; Division of Animal Industry; Division of Aquaculture; Division of Consumer Services; Division of Food Safety; Division of Fruit and Vegetables; Division of Licensing; and Division of Plant Industry.

² Office of Agricultural Law Enforcement.

³ Measuring devices may include retail, pharmacy, industrial and livestock scales, in addition to other devices such as fuel pumps.

Department, during the period July 2012 through December 2013, the Department conducted approximately 13.2 million inspections.⁴

As part of our audit, we evaluated the policies and procedures for inspections of shellfish processing plants and aquaculture facilities by the Division of Aquaculture, weighing and measuring devices by the Division of Consumer Services, and, processed citrus by the Division of Fruit and Vegetables. Our audit procedures disclosed that the policies and procedures for inspections conducted by the Division of Aquaculture and the Division of Consumer Services could be enhanced as described below:

- *Division of Aquaculture.* State law⁵ requires that any person engaging in aquaculture must be certified by the Department and also provides that the Department is to adopt rules specifying the best management practices to be implemented by holders of aquaculture certificates of registration. The Department established rules⁶ that included adoption of an *Aquaculture Best Management Practices Manual (BMP Manual)* which specified the procedures and best practices to be followed by aquaculture producers. The *BMP Manual* also specified that the Department, Division of Aquaculture, was to conduct unannounced, on-site inspections of aquaculture facilities at least once a year and re-inspections as needed.

However, our audit procedures found that while the Division had established desk procedures for the aquaculture certification and initial on-site inspection process, and had also developed various BMP checklists to assist inspectors in completing inspections, the Division had not developed adequate policies and procedures addressing the conduct of and required documentation for aquaculture certification inspections. For example, the desk procedures and checklists did not address when to create and issue compliance and noncompliance notices, the process for re-inspecting noncompliant certificate holders, the detail information to be input into the database of aquaculture certification inspections, instructions for completing the BMP checklists, or the retention period for inspection documentation. In response to our audit inquiry, Division management indicated that the desk procedures were to be used by the inspectors as a guide and were not a requirement. Division management further indicated that the BMP checklists were optional and may or may not be used by inspectors.

- *Division of Consumer Services.* The Department, Division of Consumer Services, is responsible for conducting inspections of weighed and measured commodities and services sold and distributed throughout the State, as well as, the equipment used to weigh and measure them. During the period July 2012 through February 2014, the Division utilized the WinWam System and the DOCS System to record and document the results of weighing and measuring device inspections.⁷ According to Division management, due to limitations in the WinWam System, inspectors were to retain inspection forms detailing inspection results. While Division policies and procedures specified that inspectors were responsible for ensuring that all information entered into the WinWam System from inspection forms was accurate and complete, the policies and procedures did not specify a retention period for the inspection forms.

Policies and procedures which address the conduct and documentation of aquaculture certification and weighing and measuring device inspections reduce the risk of inconsistent and ineffective inspection techniques and outcomes and provide additional assurance that evidence demonstrating the conduct and results of inspections is appropriately prepared and retained.

⁴ Approximately 8 million inspections were conducted by the Office of Agricultural Law Enforcement, which performs regulatory inspections on commercial and non-commercial vehicles entering and exiting the State.

⁵ Section 597.004(1) and (2), Florida Statutes.

⁶ Department Rules, Chapter 5L-3, Florida Administrative Code.

⁷ The Division of Consumer Services began utilization of the DOCS System to record and document fuel pump inspections in November 2012 and transitioned all other weighing and measuring device inspections from the WinWam System to the DOCS System in June 2014.

Recommendation: We recommend that Department management enhance aquaculture certification inspection policies and procedures by specifying the manner in which the inspections are to be conducted and documented. Additionally, we recommend that Department management enhance weighing and measuring device inspection policies and procedures to ensure inspection forms are appropriately retained.

Finding No. 2: Inspection Documentation

As previously noted, the Department's regulatory responsibilities include, but are not limited to, inspecting processed citrus, aquaculture facilities and shellfish processing plants, food establishments, fresh shipments of fruits and vegetables, and weighing and measuring devices. As part of our audit, we examined Department records for 171 inspections (42 processed citrus inspections, 25 aquaculture certification inspections, 39 shellfish processing plant inspections, and 65 weighing and measuring device inspections) conducted during the period July 2012 through February 2014. Our audit procedures disclosed that inspections were not always properly conducted or adequately documented in accordance with applicable rules and Department guidelines. Specifically:

- *Processed Citrus Inspections.* Pursuant to State law,⁸ the Department of Citrus is responsible for adopting rules governing the grade, quality, variety, type, and amount of citrus fruit products, whether canned, concentrated, or otherwise processed. Department of Citrus rules⁹ specify that no person shall process any fruit, or the juice thereof, unless the fruit is in compliance with State maturity standards and accompanied by a certificate of inspection and maturity issued by an authorized State inspector. Department of Citrus rules further provide that, should the processor elect not to regrade any lot of fruit found on initial inspection to contain immature fruit, the inspector may place an official seal on the lot and return the lot to the owner and, under a clearance signed by the inspector, the owner may remove the fruit to another location designated by the inspector for regrading. Regrading is required to be done in the presence of an inspector, after which the fruit may be reoffered for processing use, subject to all applicable inspection procedures.

State law¹⁰ grants the Department, Division of Fruit and Vegetables, the authority to inspect and certify the maturity and condition of citrus fruits. Division procedures specified that all lots of immature fruit returned to the owner for regrading were to be documented using a Regrade Clearance Form (Form). The Form was to be signed by the initial inspector, indicate the seal numbers of each load returned to the owner, and the regrade location. The regrading inspector at the regrade location was to record findings and notes regarding the amount and disposition of any fruit destroyed, if applicable, on a copy of the Form, and sign and mail the copy to the Division after the regrading.

Our examination of Division records for 42 processed citrus inspections disclosed 9 instances where the lots of immature fruit were returned to the owner for regrading. We found that, for 6 of these 9 regrading inspections, the Division was unable to provide evidence that the regrading inspector had signed the required Forms. Additionally, for 4 of these 6 inspections, we found that the initial inspector did not identify the regrade location on the Form. In response to our audit inquiry, Division management indicated that procedures to track the completion and return of all Forms to the Division had not been established. Department management also indicated that, at the time the initial Form was completed, the inspector may not have known what the owner's intent was for the fruits that failed inspection. Therefore, on the form the initial inspector may have written "unknown" for the designated regrade location or left the location blank.

- *Aquaculture Certification Inspections.* As noted in finding No. 1, State law¹¹ requires that any person engaging in aquaculture must be certified by the Department. The *BMP Manual* specified that the Division of Aquaculture was to conduct unannounced, on-site inspections of aquaculture facilities at least once a year and re-inspections as needed. The *BMP Manual* also outlined the minimum compliance requirements that

⁸ Sections 601.10(7) and 601.11, Florida Statutes.

⁹ Department of Citrus Rules 20-61.004 and 20-61.010, Florida Administrative Code.

¹⁰ Section 601.27, Florida Statutes.

¹¹ Section 597.004(1) and (2), Florida Statutes.

certified aquaculturists had to fully implement in order to remain in good standing with the Division. The Division utilized the Aquaculture Certification database to record and document the results of aquaculture certification inspections.

Our review of Division records for 23 applicable aquaculture inspections disclosed that the data entered in the Aquaculture Certification database for 15 inspections did not contain sufficient detail to document the BMP compliance requirements reviewed by the inspector. For another 2 inspections, the inspection results had not been entered into the database. While the Division had established BMP checklists to guide inspectors through the inspection process, such checklists were not available for these 17 inspections. Additionally, for 3 other inspections, compliance letters were not issued by the inspector. In response to our audit inquiry, Division management indicated that inspectors may choose whether or not to use the BMP checklists and were not required to enter in the Aquaculture Certification database the results for all applicable sections of the *BMP Manual* subject to inspection or the results for those sections the inspector determined the facility to be compliant.

- *Shellfish Processing Plant Inspections.* Department rules¹² specified that at the completion of a shellfish processing plant inspection where the Division of Aquaculture found a facility deficiency, Division inspectors were to complete a corrective action plan (Form DACS-15012) that included a brief description of the deficiencies noted, along with a corresponding rule citation and time frame in which the deficiencies were to be corrected.

Our audit procedures disclosed that for 5 of the 24 shellfish processing plant inspections with noted deficiencies, Division inspectors did not specify on the Form DACS-15012 the time frame in which the deficiencies were to be corrected. In response to our audit inquiry, Division management provided various explanations, including that the deficiencies had been corrected on-site, were not critical, or had been discussed with the owner or operator. However, none of the explanations provided were notated in the inspection documentation.

- *Weighing and Measuring Device Inspections.* As noted in finding No. 1, during the period July 2012 through February 2014, the Division of Consumer Services utilized the WinWam System and the DOCS System to record and document the results of weighing and measuring device inspections. According to Division management, as of June 2014, all weighing and measuring device inspections had been transitioned to the DOCS System. Division management also indicated that each inspector was responsible for completing and maintaining an inspection form and inputting inspection results into either the WinWam or DOCS Systems.

Our examination of Division records for 28 initial weighing and measuring device inspections included 10 inspections recorded in the WinWam System. We found that, for 9 of these 10 inspections, the inspector's detailed testing data and results had not been included in the WinWam System and the inspection forms had not been maintained. In response to our audit inquiry, Division management indicated that testing data and results may have not been recorded by the inspector due to limitations in the WinWam System and that, at the time of the inspections, there was no electronic means to maintain the inspection forms.

Properly conducted and adequately documented inspections provide assurance that regulated entities are complying with the requirements of State law, Department rules, and applicable Department policies and procedures. Additionally, improved documentation of inspection results would better demonstrate accountability and consistency and promote accurate and complete reporting of inspection results.

Recommendation: We recommend that Department management ensure that inspections are conducted and documented in accordance with established rules and procedures.

¹² Department Rules 5L-1.002(11) and 5L-1.006(1)(b), Florida Administrative Code.

Finding No. 3: Inspection Timeliness

The Department, Division of Consumer Services, is responsible for conducting commercial measuring device inspections at retail and wholesale facilities. Inspections of measuring devices include calibration verification tests; verifications of proper installation, operation, and maintenance; and labeling. Measuring devices include retail, pharmacy, industrial and livestock, and vehicle scales in addition to other devices such as taximeters and fuel pumps.

Established Division procedures¹³ specified that all facilities receiving correction notices for fuel pump devices that did not return the notices to the Division completed and signed were to be re-inspected. Division procedures also provided that all facilities receiving correction notices for fuel pump devices that were over-registering or involved public safety issues, such as fuel leaks and defective nozzles, had to be re-inspected. Division procedures required¹⁴ all correction and out-of-service notices for all other commercial measuring devices to be followed-up on within 30 business days after the correction notice was issued or within 30 business days of the device being returned to service.

As part of our audit, we reviewed Division records for 37 commercial measuring device inspections conducted during the period July 2012 through February 2014 with identified deficiencies. We found that the Division did not always timely perform re-inspections to ensure corrective actions were appropriately taken. Specifically:

- For 2 fuel pump device inspections, the Division did not complete re-inspections although completed and signed correction notices for fuel pump device deficiencies had not been returned to the Division. Similarly, the Division did not complete re-inspections for 2 small scale device inspections, although correction notices had been issued for the devices.
- For 2 other small scale device inspections, the Division did not complete re-inspections within 30 business days. For these 2 devices, re-inspections were completed 215 business days and 130 business days, respectively, after the Division issued the correction notices.

In response to our audit inquiry, Division management indicated that the Division had not established a process to track delinquent correction notices or to remind inspectors to perform re-inspections. Absent timely completion of re-inspections, the Division cannot ensure that all deficiencies noted during commercial measuring device inspections are promptly and properly corrected.

Recommendation: We recommend that Department management ensure re-inspections are performed in accordance with established procedures. Additionally, to ensure commercial measuring device re-inspections are timely performed, we recommend that Department management develop a process to track delinquent correction notices and to remind inspectors to perform re-inspections.

Finding No. 4: Shellfish Processing Plant Standardization Inspectors

The U.S. Food and Drug Administration (FDA) National Shellfish Sanitation Program (NSSP)¹⁵ *Guide for the Control of Molluscan Shellfish* required the State to sponsor an adequate number of individuals for positions as State standardization officers and standardized inspectors to guarantee that each certified shellfish dealer was routinely

¹³ Department, Division of Consumer Services, Bureau of Standards Procedure No. 02, *Procedure for Correction Notice Follow-Up*.

¹⁴ Department, Division of Consumer Services, Bureau of Weights and Measures Procedure No. 05, *Procedure for Statenside Uniformity in Field Enforcement Procedures Including Approval, Rejection, Placing Out of Service, and Confiscation of Commercial Devices*.

¹⁵ The NSSP is the Federal and State cooperative program recognized by the FDA and the Interstate Shellfish Sanitation Conference for the sanitary control of shellfish produced and sold for human consumption. The purpose of the NSSP is to promote and improve the sanitation of shellfish (oysters, clams, mussels, and scallops) moving in interstate commerce through Federal and State cooperation and uniformity of state shellfish programs.

inspected for compliance with the Model Ordinance¹⁶ plant processing requirements. The Department, Division of Aquaculture, required all shellfish processing plant inspectors to be State standardized inspectors. To qualify as a standardized inspector, an inspector had to successfully complete the FDA standardization training course (or one deemed acceptable by the FDA) and a field evaluation phase that consisted of jointly conducting five formal shellfish plant inspections with a State standardization officer. Standardization was valid for a period of 5 years and documentation of the standardization was to be maintained by the Division.

During the period July 2012 through February 2014, eight Division inspectors completed 610 shellfish processing plant inspections. As part of our audit, we requested standardization documentation for five of the eight inspectors and examined the documentation provided to determine whether the inspectors were qualified standardized inspectors at the time selected inspections were completed. Our audit procedures found that:

- For two of the five inspectors, the Division was unable to provide documentation demonstrating that the inspectors were qualified as State standardized inspectors. In response to our audit inquiry, Division management stated that field standardization exercises were conducted with both inspectors on October 31, 2009; however, documentation demonstrating the inspectors' successful completion of this phase of the qualification process was not available for our review. Division management further indicated that both inspectors were scheduled for re-standardization in October 2014.
- Another two inspectors were not standardized inspectors at the time inspections were completed. These two inspectors qualified as standardized inspectors 397 days and 98 days, respectively, subsequent to employment as shellfish processing plant inspectors. During the period July 2012 through February 2014 the inspectors completed 52 and 11 inspections, respectively, prior to qualifying as standardized inspectors. Although Division management indicated in response to our audit inquiry that both inspectors participated in joint inspections with either a program administrator, State standardization officer, or field inspector prior to becoming standardized inspectors, the Division was unable to provide documentation demonstrating that such joint inspections occurred. Division management also indicated that, due to personnel changes and scheduling difficulties, the standardization for 1 of the 2 inspectors was delayed.

Absent documentation of the appropriate qualification of standardized inspectors, the Department may be limited in its ability to demonstrate that all shellfish processing plant inspections are conducted by a State standardized inspector and in accordance with FDA guidelines.

Recommendation: To better demonstrate that shellfish processing plant inspections are properly conducted, we recommend that Department management maintain documentation evidencing that all shellfish processing plant inspections are performed by qualified State standardized inspectors.

Finding No. 5: Information Technology Change Management Controls

Effective information technology (IT) controls over program changes are intended to ensure that all changes are properly authorized, tested, approved, and tracked. Change management controls that are typically employed to ensure the continued integrity of application programs and systems include providing written evidence of the program change process, performing independent testing and approval of program changes, separating between employees the responsibility for developing changes and the responsibility for moving approved changes into the production environment, and restricting programmers from accessing or updating production data.

¹⁶ The NSSP *Guide for the Control of Molluscan Shellfish* consists of a Model Ordinance, supporting guidance documents, recommended forms, and other related materials. The Model Ordinance provided minimum requirements for the regulation of interstate commerce of molluscan shellfish and established a program to protect the public health of consumers by assuring the sale or distribution of shellfish from safe sources and assuring shellfish had not been adulterated during cultivating, harvesting, processing, shipping, or handling.

Department policies and procedures¹⁷ required that any changes to IT resources follow the appropriate process outlined in the Department's Change Management Workflow Process documents. These documents included a process for division-specific changes. Additionally, Department policies and procedures required that a *Change Log* form be used to document the approvals and change management tasks throughout the change process. It was the responsibility of each information resource owner and division information officer to ensure that the Department's policy was followed for changes to IT resources under their responsibility and that only authorized changes were made.

In response to our request for records related to program changes completed during the period July 2012 through March 2014, the Department provided records for 18 programming changes to the Brix Acid Unit (BAU) System,¹⁸ 1 change to Citranet,¹⁹ 4 changes to the Aquaculture Certification Database,²⁰ and 1 change to the Shellfish Shippers Database.²¹ We examined Department records related to all 24 of the programming changes made and noted that:

- The Division of Fruit and Vegetables staff did not complete *Change Log* forms for any of the 18 BAU System program changes. Additionally, Division staff did not document that independent testing had been performed for the Citranet program change. In response to our audit inquiry, Division management stated that the only change control process in place for the BAU System was a log file kept on the server and program code comments. However, our audit tests disclosed that the log file and program code comments did not identify all the aspects of the program changes required by the *Change Log* form. Division management also indicated that independent testing for the Citranet program change had been performed; however, it was not documented.
- One Division of Aquaculture employee was responsible for making all 4 Aquaculture Certification Database program changes and the Shellfish Shippers Database program change, testing the changes, and moving the changes into production. Additionally, although all 5 program changes were documented on the Division of Aquaculture's internal *Computer Request Form (Form)* and the requestor signed the *Form*, the *Form* did not specifically identify the person who programmed the change, tested the change, moved the change into production, or accepted the change. In response to our audit inquiry, Division management indicated that due to limited resources, the Division's IT Administrator had made, tested, and moved all program changes into production.

Absent an appropriate separation of duties and records that clearly document and track the entire change management process, the risk is increased that erroneous or unauthorized program changes may be made.

Recommendation: We recommend that Department management ensure that responsibilities for all IT resource program changes are appropriately separated and that the program changes are documented in accordance with established Department policies and procedures.

Finding No. 6: IT Security Controls

Security controls are intended to minimize the risk of unauthorized access to data and IT resources. Our audit procedures disclosed that certain Department security controls related to the BAU System, Citranet, and Shellfish Shippers Database needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising Department data and IT resources. However, we have notified appropriate Department

¹⁷ Department Administrative Policies and Procedures No. 2-3, *Change Management Policy and Procedure*.

¹⁸ The BAU System is an automated testing unit used to check for Brix (sugar) and acid content in fruit brought in for processing.

¹⁹ Citranet is a Web site that displays data collected by the BAU System for citrus suppliers.

²⁰ The Aquaculture Certification Database is used to store and organize aquaculture farm facility details, certification fees, historical and current certification status, and inspection deficiencies for all aquaculture farms within the State.

²¹ The Shellfish Shippers Database is used to store and organize shellfish shipper facility details, historical and current certification status and inspection deficiencies for all shellfish shippers within the State.

management of the specific issues. Without adequate security controls, the risk is increased that the confidentiality, integrity, and availability of Department data and IT resources may be compromised.

Recommendation: We recommend that Department management strengthen security controls related to the BAU System, Citranet, and Shellfish Shippers Database to ensure the confidentiality, integrity, and availability of Department data and IT resources.

Finding No. 7: Appropriateness of Access Privileges

Effective access controls include measures that limit user access privileges to data and IT resources in a manner that promotes an appropriate separation of duties and restricts employees to only those functions necessary for their assigned job duties. Appropriately restricted access privileges help protect data and IT resources from unauthorized disclosure, modification, or destruction. To ensure security over State agencies' IT systems and data, minimum security standards were established in Agency for Enterprise Information Technology (AEIT) rules,²² including that IT workers were to be granted access to agency IT resources based on the principles of "least privilege" and "need to know."²³ AEIT rules²⁴ define "least privilege" as the principle that grants the minimum possible privileges to permit a legitimate action in order to enhance protection of data and functionality from faults and malicious behavior and define "need to know" as the principle that individuals are authorized to access only specific information needed to accomplish their individual job duties.

The Division of Fruit and Vegetables was responsible for the installation, calibration, repair, and accuracy of all measuring systems and instruments used for processed citrus inspections, including the BAU System. Our examination of Division records for 62 BAU System user accounts active as of May 8, 2014, disclosed that 8 BAU System users had inappropriate or unnecessary update access privileges with respect to their Division duties and positions. Specifically, all 8 users had technician and database administrator access privileges. Combined, these access privileges granted these 8 users the ability to create or delete user accounts and passwords, perform BAU System application modifications, and perform the same functions that processed citrus inspectors performed within the BAU System.

In response to our audit inquiry, Division management indicated that this access had been granted as a precaution in case of an unforeseeable event. For example, if the Division lost network capabilities and needed to execute database tasks, any one of these eight BAU System users would be able to perform these tasks. However, by not appropriately limiting user access privileges on an as-needed basis, the risk of unauthorized disclosure, modification, and destruction of BAU System data is increased.

Recommendation: We recommend that Department management appropriately limit BAU System user access privileges to promote the proper separation of duties and to restrict user access to only those functions necessary for their assigned job duties.

²² AEIT Rules, Chapter 71A-1, Florida Administrative Code. Effective July 1, 2014, Chapter 2014-221, Laws of Florida, created the Agency for State Technology (AST) within the Department of Management Services and authorized a type two transfer of all records; property; administrative authority; administrative rules in Chapters 71A-1 and 71A-2, Florida Administrative Code; and existing contracts of the AEIT to the AST.

²³ AEIT Rule 71A-1.004(5), Florida Administrative Code.

²⁴ AEIT Rule 71A-1.002(47) and (55), Florida Administrative Code.

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 February 2014 through October 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 selected Department of Agriculture and Consumer Services (Department) inspection programs administered by the Division of Aquaculture, Division of Consumer Services, and Division of Fruit and Vegetables. 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 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 inspection policies and procedures for the Divisions of Aquaculture, Consumer Services, and Fruit and Vegetables to determine whether the policies and procedures were up-to-date and correctly reflected applicable provisions of State laws and rules.
- Surveyed management in Department divisions and offices conducting regulatory inspections to gain an understanding of the types of inspections conducted by each division and office and the laws, rules, policies and procedures, and other guidelines applicable to each inspection type.
- Examined selected division inspection forms to determine whether the forms were adequately designed to ensure licensee compliance with applicable laws, rules, policies and procedures, and other guidelines was appropriately verified.
- Reviewed Departmentwide policies and procedures and interviewed Department management to determine whether the Department had established procedures requiring inspectors to report conflicts of interest.
- Evaluated the methodologies used by selected divisions to schedule licensee inspections.
- Examined employee records for 5 Division of Aquaculture inspectors and 23 Division of Fruit and Vegetables inspectors to determine whether the inspectors met the qualifications to perform inspections.
- Examined Department records for 171 inspections, including re-inspections, conducted by the Divisions of Aquaculture (64 inspections), Consumer Services (65 inspections), and Fruit and Vegetables (42 inspections) during the period July 2012 through February 2014 to determine whether the inspections were properly documented and performed in accordance with applicable laws, rules, and guidelines.
- Analyzed consumer complaint data in the Division of Consumer Services (DOCS) System, WinWam System, Aquaculture Certification Database, and Shellfish Shippers Database for the period July 2012 through February 2014 to identify any licensees with customer complaints that also had violations noted during Department inspections.
- Examined bond documentation for nine citrus processors subject to inspection during the period July 2012 through February 2014 to determine whether the Department obtained documentation of a good and sufficient cash or surety bond prior to issuing inspection certificates for processing plants.
- Obtained an understanding of selected information technology (IT) controls pertinent to the Brix Acid Unit System, Citranet, Aquaculture Certification Database, Shellfish Shippers Database, and WinWam System and performed appropriate audit procedures to determine whether selected general and application IT controls were properly designed, in place, and operating effectively.
- 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 letter dated April 17, 2015, the Assistant Commissioner of Agriculture provided a response to our audit findings and recommendations. The Assistant Commissioner's response is included as **EXHIBIT A**.

**EXHIBIT A
MANAGEMENT'S RESPONSE**

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

April 17, 2015

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Dear Mr. Martin:

The following comments are provided in response to the preliminary and tentative findings and recommendations in your audit of "Selected Inspection Programs" in the Department of Agriculture and Consumer Services.

Finding No. 1: Inspection Policies and Procedures

Policies and procedures for inspections conducted by the Division of Aquaculture and the Division of Consumer Services could be enhanced. Specifically:

- The Division of Aquaculture had not developed adequate policies and procedures addressing the conduct of and required documentation for aquaculture certification inspections. For example, the desk procedures and checklists did not address how to create and issue compliance and noncompliance notices, the process for re-inspecting noncompliant certificate holders, the detail information to be input into the database of aquaculture certification inspections, instructions for completing the BMP checklists, or the retention period for inspection documentation. Division management indicated that the desk procedures were to be used by the inspectors as a guide and were not a requirement. Division management further indicated that the BMP checklists were optional and may or may not be used by inspectors.
- The Division of Consumer Services' weighing and measuring device inspection policies and procedures did not specify a retention period for the inspection forms.

Recommendation: Enhance aquaculture certification inspection policies and procedures by specifying the manner in which the inspections are to be conducted and documented. Additionally, enhance weighing and measuring device inspection policies and procedures to ensure inspection forms are appropriately retained.

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Response: *Division of Aquaculture:* The division is currently utilizing desk procedures and BMP checklists as mentioned in the audit. A policy will be developed to address issues outlined within the report.

Division of Consumer Services: The division follows the retention guidelines outlined in the Department's Administrative Policies and Procedures 4-18, Records Management, and the Records Management Desk Manual. For inspection reports, the division follows GS-1 Schedule Number 176, Item Number 0001a which requires that inspection reports be kept for three years. The division completes a records inventory annually, as required by department policies.

Finding No. 2: Inspection Documentation

Inspections were not always properly conducted or adequately documented in accordance with applicable rules and department guidelines. Specifically:

➤ *Division of Aquaculture: Aquaculture Certification & Shellfish Processing Plant Inspections*

A review of the division's records for 23 applicable aquaculture inspections disclosed that the data entered in the Aquaculture Certification database for 15 inspections did not contain sufficient detail to document the BMP compliance requirements reviewed by the inspector. For another 2 inspections, the inspection results had not been entered into the database. While the division had established BMP checklists to guide inspectors through the inspection process, such checklists were not available for these 17 inspections. Additionally, for 3 other inspections, compliance letters were not issued by the inspector.

In addition, for 5 of the 24 shellfish processing plant inspections with noted deficiencies, division inspectors did not specify on the Form DACS-15012 the time frame in which the deficiencies were to be corrected.

➤ *Division of Consumer Services: Weighing and Measuring Device Inspections*

For 9 of 10 inspections recorded in the WinWam System, the inspector's detailed testing data and results had not been included in the WinWam System and the inspection forms had not been maintained. Division management indicated that testing data and results may have not been recorded by the inspector due to limitations in the WinWam System and that, at the time of the inspections, there was no electronic means to maintain the inspection forms.

➤ *Division of Fruit and Vegetables: Processed Citrus Inspections*

For six of nine regrading inspections examined, the division was unable to provide evidence that the regrading inspector had signed the required Regrade Clearance Form (form). Additionally, for four of these six inspections, the initial inspector did not identify the regrade location on the form. Division management indicated that procedures to track the completion and return of all forms to the division had not been established. Department management also indicated that, at the time the initial form was completed, the inspector may not have known what the owner's intent was for the fruits that failed inspection. Therefore,

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on the form the initial inspector may have written "unknown" for the designated regrade location or left the location blank.

Recommendation: Ensure that inspections are conducted and documented in accordance with established rules and procedures.

Response: *Division of Aquaculture:* Policies will be developed to address the minimum required information to be entered into the database, the process for issuing compliance and non-compliance letters and the completion of checklists.

The division concurs with the audit findings that corrective action dates were missing from the Shellfish Processing Plant database copies of Form DACS-15012. This is a product of the division's antiquated database. However, due in part to database limitations, the division maintains an official hard copy. The majority of the forms had corrective action dates or a note explaining why a corrective action date was not provided. The division will ensure all official copies of the inspection form include a time frame for corrective action.

Division of Consumer Services: The division recognized prior to the audit that the former database (WinWam) was insufficient to meet the need to require complete data input and retain worksheets and other external documentation relating to inspections and this issue was subsequently addressed before the audit commenced. The division's conversion from the former WinWam program to the current DOCS program is now complete and the deficiencies cited in this audit were addressed prior to the audit through this conversion to DOCS. The previous WinWam program did not have the capability to capture and retain inspection worksheets and the program did not require certain information to be recorded. Since the implementation of the new DOCS program for weighing and measuring device inspections, all inspection data is captured directly into the database and requires complete data input. Further, DOCS has the capability to retain scanned images of documents, which include worksheets created by inspectors at the time of an inspection. The documents can be recalled anytime thereafter. It is the policy of the division for inspectors to scan and upload into DOCS all worksheets created.

Division of Fruit and Vegetables: The division has written a policy and procedure regarding Regrade Certificates (or Regrade Clearance Forms), which will be implemented during the 2015-2016 Citrus Season. During the summer refresher training, all processed citrus inspectors will receive the policy and training on completing the required forms to ensure compliance and consistency.

Finding No. 3: Inspection Timeliness

The Division of Consumer Services did not always timely perform re-inspections for identified deficiencies to ensure corrective actions were appropriately taken. Specifically:

- For two fuel pump device inspections, the division did not complete re-inspections although completed and signed correction notices for fuel pump device deficiencies had not been

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returned to the division. Similarly, the division did not complete re-inspections for two small scale device inspections, although correction notices had been issued for the devices.

- For two other small scale device inspections, the division did not complete re-inspections within 30 business days. For these two devices, re-inspections were completed 215 business days and 130 business days, respectively, after the division issued the correction notices.

Recommendations: Ensure re-inspections are performed in accordance with established procedures. Additionally, to ensure commercial measuring device re-inspections are timely performed, develop a process to track delinquent correction notices and to remind inspectors to perform re-inspections.

Response: The division recognized that the former database (WinWam) was insufficient to track outstanding responses to correction notices and implemented a new database before the audit commenced. Note that the WinWam database was not transferred into the DOCS database until June of 2014 so the majority of the sample period identified (December 2012 to July 2014) contained historical data that was ported from WinWam into DOCS. During this time inspectors were unable to track outstanding correction notices.

Businesses are not required to repair equipment within a specified time frame. However, the division policy is to follow up on all correction notices for which a response has not been received. Many repairs are made by a meter mechanic who is licensed by the division. The mechanics reported the repairs to the division and the corrections are tracked in DOCS. Division inspectors also follow up on a random sampling of all correction notices for which a response has been received by a meter mechanic to ensure corrections are being made satisfactorily.

The current DOCS program has reporting capabilities that allow for both inspectors and supervisors to generate a list of outstanding correction notices beyond 60 days. Current procedure requires inspectors to generate a report of outstanding correction notices weekly and follow up with the business. Supervisors are required to generate a report biweekly to ensure inspectors are tracking outstanding correction notices. This procedure is currently in place and has been since shortly after the inspectors started using the new database. The division is in the process of updating policy to reflect this procedure.

Finding No. 4: Shellfish Processing Plant Standardization Inspectors

For two of five inspectors in the Division of Aquaculture, the division was unable to provide documentation demonstrating that the inspectors were qualified as state standardized inspectors. Another two inspectors were not standardized at the time inspections were completed. These two inspectors qualified as standardized inspectors 397 days and 98 days, respectively, subsequent to employment as shellfish processing plant inspectors.

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Recommendation: To better demonstrate that shellfish processing plant inspections are properly conducted, maintain documentation evidencing that all shellfish processing plant inspections are performed by qualified state standardized inspectors.

Response: Subsequent to the audit, the division has re-standardized one of the two Sanitation and Safety Specialists (October 2014), and the other Sanitation and Safety Specialist inspector has retired. In addition, on an annual basis, the Shellfish Processing Plant program administrator will confirm active standardization certification for all Sanitation and Safety Specialists inspectors. Sanitation and Safety Specialists will not perform unsupervised inspections without written current standardization documentation from the State Shellfish Standardization Officer.

Finding No. 5: Information Technology Change Management Controls

The department did not always follow information technology (IT) change management policies and procedures. Specifically:

- For the Division of Aquaculture, four programming changes were made to the Aquaculture Certification database and one change to the Shellfish Shippers database. One Division of Aquaculture employee was responsible for making all four Aquaculture Certification database program changes and the Shellfish Shippers database program change, testing the changes, and moving the changes into production. Additionally, although all five program changes were documented on the Division of Aquaculture's internal Computer Request Form (form) and the requestor signed the form, the form did not specifically identify the person who programmed the change, tested the change, moved the change into production, or accepted the change. Division management indicated that due to limited resources, the Division's IT Administrator had made, tested, and moved all program changes into production.
- For the Division of Fruit and Vegetables, division staff did not complete Change Log forms for any of the 18 BAU System program changes. Additionally, Division staff did not document that independent testing had been performed for the Citranet program change. Division management stated that the only change control process in place for the BAU System was a log file kept on the server and program code comments. However, audit tests disclosed that the log file and program code comments did not identify all the aspects of the program changes required by the Change Log form. Division management also indicated that independent testing for the Citranet program change had been performed; however, it was not documented.

Recommendation: Ensure that responsibilities for all IT resource program changes are appropriately separated and that the program changes are documented in accordance with established department policies and procedures.

Response: *Division of Aquaculture:* The division's ability to appropriately separate responsibilities is limited due to an insufficient number of available, qualified FTEs. The division will continue to separate and document change requests, programming, testing, and implementation subject to available division staff expertise.

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Division of Fruit and Vegetables: The division has implemented a change in the process to comply with recommendations ensuring proper segregation of duties exists in regards to program changes. Upon notification from the industry or staff of issues, division staff documents the issue or request, and submits the proper form following the Change Management Workflow Process for all changes to the BAU System or Citranet. These requests are to be approved by the Division Information Officer or designate. By using Remedy, all required documentation is electronically generated and stored.

Finding No. 6: IT Security Controls

IT security controls for the Brix Acid Unit System, Citranet, and Shellfish Shippers database need improvement. Specific details of the issues were not disclosed in the report to avoid the possibility of compromising department data and IT resources. However, appropriate department management was notified of the specific issues.

Recommendation: Strengthen security controls related to the BAU System, Citranet, and Shellfish Shippers database to ensure the confidentiality, integrity, and availability of department data and IT resources.

Response: Corrective action has been or is in the process of strengthening security controls related to the BAU System and Shellfish Shippers database. Modifications to Citranet are currently being considered, based on an analysis of the risks posed by the noted deficiencies and the potential cost to make the recommended changes.

Finding No. 7: Appropriateness of Access Privileges

An examination of the Division of Fruit and Vegetables' records for 62 BAU System user accounts active as of May 8, 2014, disclosed that 8 BAU System users had inappropriate or unnecessary update access privileges with respect to their division duties and positions. Specifically, all 8 users had technician and database administrator access privileges. Combined, these access privileges granted these 8 users the ability to create or delete user accounts and passwords, perform BAU System application modifications, and perform the same functions that processed citrus inspectors performed within the BAU System.

Division management indicated that this access had been granted as a precaution in case of an unforeseeable event. For example, if the division lost network capabilities and needed to execute database tasks, any one of these eight BAU System users would be able to perform these tasks. However, by not appropriately limiting user access privileges on an as-needed basis, the risk of unauthorized disclosure, modification, and destruction of BAU System data is increased.

Recommendation: Appropriately limit BAU System user access privileges to promote the proper separation of duties and to restrict user access to only those functions necessary for their assigned job duties.

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Response: The division has contracted with a software engineering firm to create a three-tiered level for access to ensure each user of the BAU System has the recommended capabilities needed based on the assigned job duties. This will ensure proper segregation of duties among the BAU System administrator, technicians and inspectors.

I appreciate your staff's efforts in helping to improve the operations of state government.

Sincerely,



Michael A. Joyner
Assistant Commissioner of Agriculture

MJ/nrh