



**FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

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RICK SCOTT
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HERSCHEL T. VINYARD JR.
SECRETARY

MEMORANDUM

To: Herschel T. Vinyard Jr., Secretary
From: Candie M. Fuller, Inspector General
Subject: Audit Follow – up
Date: May 9, 2014

A handwritten signature in blue ink, appearing to be 'Candie M. Fuller', written over the 'From:' line of the memorandum.

In accordance with Section 20.055 (5) (h), Florida Statutes, a report of the most recent audit relating to Department of Environmental Protection, issued by the Florida Auditor General is attached. The report includes a brief summary of the audit finding, recommendation, and agency response, with status of corrective action at this time.

Please let me know if you would like additional information regarding this follow-up report.

Attachment

Cc: Joint Legislative Auditing Committee

FOLLOW-UP OF AUDIT REPORTS ISSUED BY THE AUDITOR GENERAL OR OPPAGA

| AUDITING ENTITY | REPORT NUMBER | PERIOD COVERED | SUMMARY OF FINDINGS AND RECOMMENDATIONS | SUMMARY OF CORRECTIVE ACTIONS TAKEN |
|-----------------|---------------|---|---|--|
| Auditor General | 2014-064 | January to June 2013 and follow-up of 2012-011 and 2012-164 | <p>Finding No. 1: Contractors selected to monitor Program projects were not always independent of the feasibility, design, and construction project phases.</p> <p>Recommendation: We recommend the Department management establish a standardized review process and develop Program guidance for local sponsors addressing the selection of contractors. The review process and guidance should address the identification of potential conflicts of interest and require that project monitors be independent of the Program project phases they are to monitor.</p> | <p>The Department has initiated the first in a series of public workshops designed to inform coastal stakeholders about the Auditor General's report 2014-064 for the Beach Erosion Control Program. The program reimburses local governments for eligible services regarding beach and inlet management activities. The local governments contract all services based on the Consultants Competition Negotiations Act (287.055, F.S.). Therefore, instituting policy change without stakeholder involvement could create contracting conflicts and pose a financial burden on those recipient governments. Therefore, the workshops will allow for a publicly vetted policy change to identify the issues and negotiate new contracting policies.</p> <p>The first workshop, held on April 3, 2014, provided background information regarding the audit, discussed the audit recommendations and mapped a path forward. Thirty-eight individuals participated from outside DEP. Workshop 1 presentation has been added to the program webpage: http://www.dep.state.fl.us/beaches/programs/becp/ag-rpt.htm</p> <p>The next workshop is scheduled for June 5, 2014 from 1-3 PM to define "Conflicts of Interest". A third workshop is scheduled for August 1, 2014 to review rate standardization and cost controls.</p> |

Same corrective action as Finding 1 above.

Finding No. 2: Department oversight of Program project costs needs improvement.

Recommendation: We recommend that Department management establish guidance, including contractor hourly rate guidelines, addressing specific project costs allowable under the Program. To improve management and oversight of the Program and better ensure that projects are economically and efficiently completed in compliance with applicable laws, rules, and grant agreement provisions, we also recommend that the Department establish a mechanism for tracking project costs by expenditure type and strengthen its process for reviewing local sponsor project contracts and requests for reimbursement.