



Florida Fish and Wildlife Conservation Commission
Office of Inspector General

**Advisory Memorandum
IA-1905 Auditor General 2018-206 Operational Audit Follow-up
February 4, 2019**

Executive Summary

The purpose of this memorandum is to report the progress and status of the Florida Fish and Wildlife Conservation Commission's (FWC/Agency/Commission) efforts to complete action items established to address issues identified in the State of Florida Auditor General's Operational Audit (Report Number 2018-206).

Based on the results of our follow-up review, we determined that management took adequate, effective and timely actions in response to one of the eight Auditor General's findings/recommendations. The FWC Office of Inspector General (OIG) will conduct an additional follow-up review of these remaining seven findings in six months.

Introduction and Background

In January 2017 the Auditor General (AG) conducted an operational audit (AG 2018-206) of the Agency's property management.

In April 2018 the AG released their report which contained eight findings and recommendations for strengthening and improving Agency controls.

Specifically, the AG's audit determined the following:

- Agency property purchases were not always recorded in Agency property records and the Agency did not always capitalize land improvements and improvements to capital assets that extended an asset's useful life beyond 1 year;
- Agency controls for reporting lost, missing, destroyed, or potentially stolen property items need enhancement;
- Agency controls regarding the accuracy of the information needed to accurately report and maintain accountability over Agency property, and demonstrate compliance with applicable Florida Department of Financial Services (DFS) rules, need enhancement;
- Agency records did not always evidence that all required authorizations were obtained prior to disposing of property items or that the Florida Department of Management Services (DMS) was timely notified when motor vehicles and watercraft were identified by the Agency as excess property;
- Agency controls continue to need enhancement to ensure that employees responsible for handling cash, checks, and credit card information receive required background screenings;
- Controls over daily use permit fees collected at iron rangers¹ located in Agency management areas need improvement;
- Agency did not always timely deactivate user access privileges to the Revenue Internal Control System (RICS) upon an employee's separation from Agency employment; and
- Agency controls continue to need enhancement to better ensure that purchasing cards (P-Card) are timely canceled upon a cardholder's separation from Agency employment.

¹ Iron rangers are unmanned collection stations used by the FWC to collect fees at fish and wildlife management area.

Results of Follow-up Review

The following tables contain the AG findings, recommendations, and the FWC management’s initial response/corrective action plans relating to the AG operational audit number 2018-206. In addition, the tables contain a status section detailing the current disposition of the findings and recommendations and any additional OIG comments and recommendations.

AG Finding Number	1- Property Records and Capital Assets
AG Finding	Commission property purchases were not always recorded in Commission property records and the Commission did not always capitalize land improvements and improvements to capital assets that extended an asset’s useful life beyond 1 year.
AG Recommendation (R1)	We recommend that Commission management enhance property controls to ensure that Commission property records are complete and accurately maintained in accordance with DFS rules and guidance.
FWC Initial Response and Corrective Action Plan	<p>Agency Response: The Commission concurs with the findings.</p> <p>Corrective Action: Upon review of expenditure records presented by the AG it was noted that the transactions were paid with object codes other than 5xxxx and therefore did not transfer to the Property Pending file. The Commission sought and received guidance from the DFS on capitalizing records when a 5xxxx object code was not used during payment. The solution provided by DFS was to populate the beginning property item number (BPIN) field with ZZZZZ when processing the payment in order to ensure the transaction will be posted to the Property Pending file for review by the Asset Management Section. Appropriate Accounting personnel have been instructed on this process.</p> <p>Also, the Commission will review our existing capitalization policy and update it to ensure consistency with DFS rules. Additionally, the Asset Management Section will provide feedback to appropriate staff through a Property Advisory Memorandum (memo) concerning issues identified from the review.</p>

Status	<p>Open: Per the FWC Finance and Budget Office (FBO) management, an internal email communication and direction was provided to the Disbursements Team for populating the BPIN field with ZZZZZ when processing a payment to ensure the transaction will be posted to the Property Pending file for review by the Asset Management Section. This process has been in place since February 2017.</p> <p>In addition, an internal Asset Management Advisory Memorandum (AMA 001 memo) was distributed via email to give guidance on appropriate actions that should be undertaken by FWC staff in performance of asset management functions.</p> <p>The OIG was provided a copy of the two FBO internal emails. The OIG reviewed the emails and verified that the information was provided to the appropriate FBO staff.</p> <p>According to FBO management, the FWC Internal Management Policies and Procedures (IMPP) 5.8 Property, is currently under internal review for submission to the FWC Business Leadership Team (BLT) for IMPP approval.</p> <p>Anticipated Completion Date: April 15, 2019</p>
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AG Finding Number	2 - Lost, Missing, Destroyed, and Stolen Property Items
AG Finding	As similarly noted in our report No. 2015-081, Commission controls for reporting lost, missing, destroyed, or potentially stolen property items need enhancement.
AG Recommendation (R2)	We recommend that Commission management update Commission policies and procedures to include a time frame for reporting lost, missing, destroyed, or potentially stolen property items to the OIG. Additionally, to facilitate timely investigations of asset losses and appropriate actions, we recommend that Commission management ensure that all lost, missing, destroyed, or potentially stolen property items are timely reported to the appropriate parties in accordance with Commission policies and procedures.
FWC Initial Response and	Agency Response: The Commission concurs with the findings.

<p style="text-align: center;">Corrective Action Plan</p>	<p>Corrective Action: The Commission will provide training to appropriate staff on the timely reporting of missing, lost, or stolen property. Also, the Asset Management Section will provide feedback to appropriate staff through a Property Advisory Memorandum concerning issues identified from the review. Additionally, the Commission will review existing policy on the timeliness of reporting and update accordingly.</p> <p>Finally, upon review of documents provided by the AG, the discrepancies were due to deficiencies in the 'InfoPath' system used by the Commission. The Commission has since moved to 'SharePoint' List, which has corrected the issue with the automated workflow system.</p>
<p style="text-align: center;">Status</p>	<p>Open: The Asset Management Section provided an Asset Management Advisory Memorandum to appropriate staff. The advisory provided guidance on appropriate actions that should be undertaken by Agency staff in performance of asset management functions.</p> <p><i>The memo stated, "...In accordance with IMPP 5.8.7, If property is lost, missing, destroyed or potentially stolen, a completed Notification of Missing Property form shall be sent to the Asset Management Section within 14 days of the loss being noted by the employee. The Asset Management Section will forward the form to the Commission's Office of the Inspector General. The Inspector General will administer an investigation of the lost, missing, destroyed or potentially stolen property and report the results to the appropriate D/O [Division or Office] Director and copy the Asset Management Section. If the investigation results indicate the property may have been stolen, the Inspector General will require the Property Custodian to file a police report with the local law enforcement agency. If the investigation results do not agree with the submitted form, the Inspector General will require the Property Custodian to amend the form accordingly and resubmit a revised original to the Asset Management Section. The results of the investigation will be recorded appropriately in the Commission's property records. If a property item may have been stolen, a police report shall be attached to the completed Notification of Missing Property form and sent to the Asset Management Section within 10 days of date of the police report. If a firearm is reported lost, stolen or missing, the completed Notification of Missing Property form will be forwarded to the Division of Law Enforcement's Investigations Coordinator for verification that the information has been recorded in the NCIC/FCIC</i></p>

	<p><i>computer system [National Crime Information Center/Florida Crime Information Center] The Investigations Coordinator will note on the Notification of Missing Property form that the information has been entered; sign and date the form and return it to the Property Manager immediately..."</i></p> <p>Additionally, according to FBO management, training is currently under development to address areas of concern. Training will be disseminated to appropriate staff once completed. Training was originally scheduled for the Commission's Regional Service Center meeting in the Fall of 2018, which was cancelled due to funding. The training is rescheduled for Winter of 2019 to Regional Property Analysts in Tallahassee, Florida.</p> <p>Per FBO management, the FWC IMPP 5.8 Property is currently under internal review for submission to BLT for IMPP approval.</p> <p>Anticipated Completion Date: April 15, 2019</p>
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AG Finding Number	3 - Property Record Information
AG Finding	Commission controls regarding the accuracy of the information needed to accurately report and maintain accountability over Commission property, and demonstrate compliance with applicable DFS rules, need enhancement.
AG Recommendation (R3)	We recommend that Commission management enhance property controls to ensure that Commission property records are timely updated and accurately maintained in accordance with DFS rules and Commission records evidence that property decals are timely affixed to property items.
FWC Initial Response and Corrective Action Plan	<p>Agency Response: The Commission concurs with the findings.</p> <p>Corrective Action: The Asset Management section has established a process of quality reviews for data elements contained in Florida Accounting Information Resource (FLAIR) records. Periodic reports are sent to Custodians requesting missing data elements for FLAIR records.</p>

	<p>Also, upon review of expenditure records presented by the AG it was noted that the transactions were paid with object codes other than 5xxxx which did not transfer to the Property Pending file. The Commission sought and received guidance from DFS on capitalizing records when a 5xxxx object code was not used during payment. The solutions provided by DFS was to populate the BPIN field with ZZZZZ when processing the payment on order to ensure the transaction will be posted to the Property Pending file for review by the Asset Management section. Appropriate Accounting personnel have been instructed on this process.</p> <p>Additionally, the Commission will review the existing capitalization policy and update it to ensure consistency with DFS rules. The Asset Management Section will provide feedback to appropriate staff through a Property Advisory Memorandum concerning issues identified from the review.</p> <p>Finally, the Commission has reviewed and improved the property transfer process. The Commission, in coordination with DFS has developed an automated upload for transfers. The automated upload has significantly reduced time between an asset being moved and the FLAIR record being updated.</p>
<p style="text-align: center;">Status</p>	<p>Open: Per FBO management, the Asset Management Section is currently piloting an approach to quality reviews in the Agency's Northwest (NW) Region. FLAIR access to non-accounting data was provided to the NW Region's property analyst. This access will allow the property analyst to update and edit property items when errors/omissions are found during inventory management.</p> <p>Per FBO management, an internal email communication and direction was provided to the Disbursements Team for populating the BPIN field with ZZZZZ when processing a payment to ensure the transaction will be posted to the Property Pending file for review by the Asset Management Section. This process has been in place since February 2017. In addition, an internal advisory memo was provided via email to give guidance on appropriate actions that should be undertaken by FWC staff in performance of asset management functions.</p> <p>The OIG was provided a copy of the two FBO internal emails. The OIG reviewed the emails and verified that the information was provided to the appropriate FBO staff.</p>

	<p>According to FBO management, the FWC IMPP 5.8 Property is currently under internal review for submission to BLT for IMPP approval.</p> <p>Anticipated Completion Date: April 15, 2019</p>
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AG Finding Number	4 - Property Disposal
AG Finding	Commission records did not always evidence that all required authorizations were obtained prior to disposing of property items or that the DMS was timely notified when motor vehicles and watercraft were identified by the Commission as excess property.
AG Recommendation (R4)	We recommend that Commission management enhance property controls to ensure, and that Commission records evidence, that property is only disposed of after all required authorizations are obtained and that the Commission timely notifies the DMS when motor vehicles and watercraft are identified as excess property in accordance with DMS rules.
FWC Initial Response and Corrective Action Plan	<p>Agency Response: The Commission concurs with the findings.</p> <p>Corrective Action: The Commission has recently established a Florida Equipment Electronic Tracking (FLEET) Team to review utilization and replacement of Commission motor vehicles and watercraft. One duty of the team is to review surplus of motor vehicles and ensure timelines are in accordance with DMS rule.</p> <p>The Commission also will provide staff with additional training on the property authorizations needed before physically disposing of assets. Additionally, the Asset Management Section will provide feedback to appropriate staff through Property Advisory Memorandum concerning issues identified from the review.</p>
Status	Open: Per FBO management, The FLEET Team meet to discuss utilization of agency vehicles. The FLEET Team members are comprised of members from each FWC Divisions/Offices. The FLEET Team was tasked with development of criteria for optimizing utilization and management of vehicles. Training is currently under

	<p>development to address areas of concern. Training will be disseminated to appropriate staff once completed. The training is scheduled for the Winter of 2019.</p> <p>The OIG was provided a copy of the FBO internal memo. The OIG reviewed the memo and verified that the Asset Management Section provided the AMA 001 memo to appropriate staff. The advisory provided guidance on appropriate actions that should be undertaken by staff in performance of asset management functions.</p> <p>The memo stated, “...Please ensure the following is performed when a property surplus occurs: • Before disposal of any Tagged Asset you must first receive approval from the Regional Review Board Chairman. If the assets original cost was over \$3000 an additional approval of a Regional Review Board Member is required. Approvals are received via the automated work flow on SharePoint under FBO Property Forms library once you complete the Surplus Property Declaration Form (SPD)• Surplus of mobile equipment must be approved by the Department of Management Services (DMS). You must complete a DMS form 6401 and send to the Asset Management Section within 45 days of the replacement equipment being placed in service per Rule 60B-3(Disposal of Motor Vehicles, Watercraft, and Aircraft)...”</p> <p>According to FBO management, the FWC IMPP 5.8 Property is currently under internal review for submission to BLT for IMPP approval.</p> <p>Anticipated Completion Date: April 15, 2019</p>
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AG Finding Number	5 - Background Screenings
AG Finding	Commission controls continue to need enhancement to ensure that employees responsible for handling cash, checks, and credit card information receive required background screenings.
AG Recommendation (R5)	We again recommend that Commission management ensure that all persons and employees in positions of special trust, responsibility, or sensitive location are subject to timely level 2 background screenings as a condition of employment. We

	<p>also recommend that Commission management enhance policies and procedures to require periodic background screenings of all persons and employees in positions of special trust, responsibility, or sensitive location as a condition of continued employment.</p>
<p style="text-align: center;">FWC Initial Response and Corrective Action Plan</p>	<p>Agency Response: The Commission concurs with the findings.</p> <p>Corrective Action: The Commission will continue to work hard to ensure that all persons and employees in positions of trust, responsibility, or sensitive location receive timely level 2 background screenings prior to employment. The FWC IMPP 6.46, Employee Criminal History Record Check was updated recently to provide clearer direction on what positions require a level 2 background. The Commission will communicate with Divisions/Offices to remind supervisors and staff of the statutory requirements. Additionally, the Commission will review our policies and assess the need to require periodic background screenings of non-sworn employees.</p>
<p style="text-align: center;">Status</p>	<p>Open: The OIG reviewed the FWC IMPP 6.46, Employee Criminal History Record Check. It appears there are no policies and procedures to require periodic background screenings of all persons and employees in positions of special trust, responsibility, or sensitive location as a condition of continued employment. Per FWC Office of Human Resources (HR) management, <i>"...At this time the Agency is not adopting a requirement that periodic rescreening be completed..."</i></p> <p>The FWC HR Director stated, that prior to her 2018 departure, the former HR Director emailed a reminder to all staff about FWC IMPP 6.46 regarding fingerprinting requirements. HR management also said that, it is not an annual requirement to send out reminder emails to employees, however HR plans on sending another email Agency wide to remind employees that certain positions are required to have a level 2 background screening completed.</p> <p>HR management added that they want to update the Agency's New Employee Checklist before sending the reminder email to all staff.</p> <p>Anticipated Completion Date: February 2019</p>

AG Finding Number	6 - Iron Ranger Collections
AG Finding	Controls over daily use permit fees collected at iron rangers located in Commission management areas need improvement. A similar finding was included in our report No. 2015-081.
AG Recommendation (R6)	We recommend that Commission management continue to strengthen controls over fees collected at iron rangers to promote the collection of appropriate fee amounts and to ensure that collections are appropriately safeguarded.
FWC Initial Response and Corrective Action Plan	<p>Agency Response: The Commission concurs with the findings.</p> <p>Corrective Action: A rule change proposal was initiated by FWC staff to change the daily use fee Tosohatchee Wildlife Management Area (WMA) to \$3. The proposal was approved by the Commissioner and will take effect July 1, 2018. Additionally, Commission procedures and protocols have been modified to require the use of lockable seals in the sequential order. Commission procedures and protocols also have been modified to require all seals be stored in a secure area accessible by only those staff involved in the iron ranger collections. Storage procedures have been corrected at both Chassahowitzka and Webb WMAs. The iron ranger at Tenoroc Fish WMA is being modified to utilize the replaceable inserts that use the lockable seals.</p>
Status	<p>Closed: Per FWC management, a rule change proposal was initiated by FWC staff to change the daily use fee Tosohatchee WMA to \$3 and went into effect July 1, 2018. Additionally, Commission procedures and protocols have been modified to require the use of lockable seals in the sequential order. Commission procedures and protocols also have been modified to require all seals be stored in a secure area accessible by only those staff involved in the iron ranger collections. Storage procedures have been corrected at both Chassahowitzka and Webb WMAs. The iron ranger at Tenoroc Fish WMA has been modified to utilize the replaceable inserts that use the lockable seals.</p> <p>The OIG reviewed and confirmed that 68A-9.007(7)(C)(1), Florida Administrative Code (F.A.C.) was updated and went</p>

	<p>into effect on July 1 ,2018. 68A-9.007(7)(C)(1) F.A.C. states, <i>"The Commission establishes short-term permits and fees as follows: (a) Tenoroc Public Use Area. 1. A daily-use permit for outdoor recreational activities other than hunting is \$3.</i></p> <p>The OIG reviewed the FWC Iron Ranger Policy. The FWC Iron Ranger Policy states, <i>"...2. The iron rangers have a replaceable insert where the money envelopes are deposited. The trap door of each insert is sealed with a numbered lockable seal. All seals will be stored in a secure location, accessible by only those staff involved in iron ranger collections. Seals should be used in sequential order. Before placing the seal on the insert, record the number of the seal on the daily-use permit accounting sheet and place the accounting sheet in the insert."</i></p>
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AG Finding Number	7- Access Privileges
AG Recommendation (R7)	As similarly noted in our report No. 2015-081, the Commission did not always timely deactivate user access privileges to the RICS upon an employee's separation from Commission employment.
FWC Initial Response and Corrective Action Plan	<p>Agency Response: The Commission concurs with the findings.</p> <p>Corrective Action: As part of the Commission's departed user process, a form is submitted by the employee's supervisor. There were previously various questions for the supervisor to answer about users' access to different Agency systems. In November 2017, the Commission's Office of Information Technology (OIT) staff added an additional checkbox to this form. This box asks if the user had Revenue Internal Control System access (see below). When this box is checked, an email is generated that is sent to the FWCRevenue@MyFWC.com e-mail address. These e-mails are received by the FWC Revenue Section Supervisor and the Revenue Grants and Contracts Manager. Both positions have the adequate access in RICS to delete users as needed.</p>

Status	<p>Open: The HR management provided the OIG, a list of all Commission employees, volunteers, and contractors that had access to the RICS during May 1, 2018 - November 1, 2018 timeframe and a list of employees that departed the Commission during that period.</p> <p>The FWC OIG reviewed the RICS list and it appears there were 4 RICS users that were active that should have been inactive during the May 1, 2018 - November 1, 2018 timeframe. The OIG will conduct another review in six months.</p>

AG Finding Number	8 - Purchasing Card Controls
AG Finding	Commission controls continue to need enhancement to better ensure that purchasing cards are timely canceled upon a cardholder's separation from Commission employment.
AG Recommendation (R8)	We again recommend that Commission management promptly cancel purchasing cards upon a cardholder's separation from Commission employment.
FWC Initial Response and Corrective Action Plan	Agency Response: The Commission concurs with the findings.

	<p>Corrective Action: The current process of notification to cancel purchasing cards include: The Commission's Employee Separation Checklist includes a statement instructing supervisors to notify the Agency's P-Card Administrator when the employee separates from the agency. In addition, the Commission's Purchasing Card IMPP 4.4 requires that supervisors notify the P-Card Administrator of any transfers, extended absence or termination. The requirement will be expanded in the upcoming revision to include language that the P-Card Administrator to be responsible for cancelling the card within 2 business days of this notification. Lastly, the Separation Report from People First is provided to the P-Card Administrator bi-weekly to ensure all cards have been cancelled.</p> <p>To further enhance this process, the Commission will provide staff with additional training on the notification to the P-Card Administrator and the Commission's HR will ensure communications are sent regarding the FWC's Employee Separation Checklist.</p>
Status	<p>Open: The FWC's P-Card IMPP 4.4 and the P-Card Manual are currently being revised.</p> <p>According to FBO management, the Agency is also in the process of implementing the new Statewide DFS/Bank of America P-Card system called PCard Works. This system will replace the current FWC P-Card system, Agency Purchase Request (APR) System.</p> <p>Anticipated Completion Date: April 2019</p>

Attachment One – Purpose, Scope, and Methodology

Section 20.055, Florida Statutes (F.S.), requires the OIG to conduct audits, investigations and management reviews related to programs and operations of the Commission. This review was performed as part of the OIG’s mission to promote accountability, integrity, and efficiency in government.

The **purpose** of this review was to monitor the disposition of recommendations communicated to functional management in the AG engagement number 2018-206, FWC Operational Audit.

Our **scope** included a review of the audit findings, recommendations, and status of corrective actions associated with the AG engagement number 2018-206, FWC Operational Audit.

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

- Reviewed findings, corrective actions, and recommendations from AG engagement number 2018-206;
- Reviewed data and reporting from AG engagement number 2015-081;
- Reviewed data and reporting from FWC OIG Follow-up Report No. IA-1513;
- Reviewed data and reporting from FWC OIG Follow-up Report No. IA-1609;
- Interviewed appropriate Agency personnel; and
- Reviewed other applicable documentation.

Attachment Two – Final Report Addressee and Distribution List

Addressee:

Eric Sutton, FWC Executive Director

Distribution List:

Thomas Eason, FWC Assistant Executive Director

Jennifer Fitzwater, FWC Chief of Staff

Kurt Fritsch, Finance and Budget Director

Glenda Atkinson, Chief Information Officer

Emily Norton, Director of Human Resources

Sherrill Norman, CPA, Florida Auditor General

Eric Miller, Florida Chief Inspector General

Attachment Three – Review Team and Statement of Accordance

This review was conducted under the authority of Section 20.055, F.S. and in conformance with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors as well as applicable Principals and Standards for Offices of Inspector General published by the Association of Inspectors General. This audit follow-up was conducted by FWC OIG's Internal Auditor Donna Whittle, CIGA, FCCM and was supervised and directed by the FWC's Inspector General Mike Troelstrup, CIG, CIGI. Please address inquiries regarding this report to the Inspector General (Mike.Troelstrup@MyFWC.com).

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