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July 19, 2017

ANNUAL REPORT FOR THE OFFICE OF INSPECTOR GENERAL FOR FY2016-2017

To: Shannon R. Shepp, Executive Director, Florida Department of Citrus (FDOC)

In accordance with Section 20.055(7), Florida Statutes (F.S.), I am submitting the Annual Report for the Office of Inspector General for FY2016-2017.

The Office of the Inspector General, under the authority of Section 20.055, F.S., is responsible to promote accountability, integrity, and efficiency. Duties include conducting audits, reviews, and investigations; assessing the reliability and validity of performance measures and standards; and the promotion of economy and efficiency and the administration of other activities designed to prevent fraud and abuse within the Department.

Section 20.055, F.S. also requires that an annual report be submitted to the department head not later than September 30 each year, summarizing the activities during the preceding fiscal year.

Respectfully submitted,

Kevin Eaton
Inspector General

Enclosure

cc: Eric Miller, Chief Inspector General

Office of Inspector General
Annual Report
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Audits:

Five audits were completed as follows:

Golin International, Contract 13-09, was audited for the period July 1, 2014 through June 30, 2016. The objectives of the audit were to ensure compliance with Department and State of Florida policies and procedures regarding contracts; review contract manager activities to verify that deliverables were received, comply with contractual requirements, and accessible for follow-up audit; and test the system of internal controls as it relates to Department programs. The Department established and maintained policies and internal controls that were relied upon to meet the audit objectives. Two recommendations to increase accountability and efficiency were noted.

Assessments on Imported Products were audited for the 2014-2015 and 2015-2016 growing seasons. The objective of the audit was to evaluate compliance with Chapter 601.155 of the Florida Citrus Code and Rule 20-9.002 of the Florida Administrative Code. Overall, the processes and procedures in place at the Department were sufficient to ensure the accurate and timely collection of Equalizing Assessment Taxes. However, incorrect information on Form 4-R, Equalizing Assessment Return, led to an under collection of Equalizing Assessment Taxes on imported products (less than 1% of total revenue for the audit period). Four recommendations to increase accountability and efficiency were noted.

Edible Inc., Contract 15-09/09a, was audited for the period July 1, 2015 through December 31, 2016. The objectives of the audit were to ensure compliance with Department and State of Florida policies and procedures regarding contracts; review contract manager activities to verify that deliverables were received, comply with contractual requirements, and accessible for follow-up audit; and test the system of internal controls as it relates to Department programs. The Department established and maintained policies and internal controls that were relied upon to meet the audit objectives. Five recommendations to increase accountability and efficiency were noted.

St. John & Partners, Contract 15-06/06a, was audited for the period July 1, 2015 through December 31, 2016. The objectives of the audit were to ensure compliance with Department and State of Florida policies and procedures regarding contracts; review contract manager activities to verify that deliverables were received, comply with contractual requirements, and accessible for follow-up audit; and test the system of internal controls as it relates to Department programs. The Department established and maintained policies and internal controls that were relied upon to meet the audit objectives. No recommendations were noted for this audit.

The Fund Balance was audited for the period July 1, 2013 through March 31, 2017. The objective of the audit was to evaluate compliance with Chapter 601.15(7), Florida Statutes, and Department Fiscal Policy #504. The Department established and maintained policies and internal controls that were relied upon to meet the audit objective. There were no recommendations noted for this audit.

One audit was in progress at the end of the fiscal year as follows:

USDA Foreign Agricultural Service's (FAS), Market Access Program (MAP) Review: In late May 2017, the USDA conducted an onsite review of MAP claims for program years 2011 and 2012. After the on-site review, the USDA noted a significant issue regarding the reimbursement of contracting fees. The IG will review the results of USDA's compliance review, and in addition, review all invoices submitted to the USDA from program years 2012 to 2017. This was a scheduled audit on the FY2016-2017 IG Audit Plan.

Investigations:

No investigations were conducted during FY2016-2017.

Other Activities:

Additional activities included conducting a risk assessment and completing the Audit Plan; conducting follow-up audits of completed audits; coordinating the Auditor General audit of the Department; preparing for and attending Florida Citrus Commission meetings; and other miscellaneous activities.