

# **Review of Controls Over Identification of Department Property**

**Division of Administrative Services**

**Report: A-2021DEP-017**

**Office of Inspector General**

**Internal Audit Section**

**Florida Department of Environmental Protection**

**August 4, 2021**

3900 Commonwealth Boulevard, MS 40  
Tallahassee, Florida 32399-3000

<https://floridadep.gov/>





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Division of Administrative Services



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The Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted a review of controls over identification of Department property. This review was initiated as a result of the Fiscal Year (FY) 2020-2021 Annual Audit Plan.

## Scope and Objectives

The scope of this review included Department's processes related to acquisition and identification of computers, laptops, and tablets as well as controls over satellite phones beginning July 1, 2020. The objectives were to evaluate Department controls over:

- the timely identification of acquired computers, laptops, and tablets
- security and location of satellite phones

## Methodology

This review was conducted under the authority of Section 20.055, F.S., and in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Our procedures included review of authoritative documents, property records, and interviews with staff from the Division of Administrative Services (DAS), Office of Emergency Response (OER), Office of Technology Information Services (OTIS), as well as Property Delegates and program management.

## Background

### Property Decals (Computers, Laptops, Tablets)

The Department's Property Policy ADM 320 establishes standards for managing state owned and tangible personal property. The Procedures for Policy ADM 320 states, *The Finance and Accounting Property Section shall capitalize inventory assets and maintain a department-wide inventory register of capitalized assets in the accounting system.* The Procedures for Policy

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ADM 320 requires that Department property items be marked with a property decal. Property decals are issued to program area Property Delegates by DAS's Bureau of Finance and Accounting (BFA). Computers, laptops, and tablets are considered attractive equipment items which require a Department property number on a decal affixed to the item.

The Division maintains property item information in the Florida Accounting Information Resource (FLAIR)<sup>1</sup> Property Master File. According to the FLAIR Property Master File, 659 computers laptops, and tablets were purchased during the period of July 1, 2020 to March 24, 2021. These purchases by Division/District/Office were as follows:

Division/District/Office	Computers Purchased	Laptops Purchased	Tablets Purchased	Total
Administrative Services	14	24		38
Air Resource Management		9		9
Resilience and Coastal Protection		23	8	31
Environmental Assessment Restoration	34	7	2	43
Florida Geological Survey	9	4	1	14
Law Enforcement		10		10
Northeast District		20		20
Northwest District		7	6	13
Recreation and Parks	202	75	1	278
Secretary		14	2	16
South District		20		20
Southeast District		14		14
Southwest District		9		9
State Lands	10	19	3	32
Technology Information Systems	5	12	1	18
Waste Management		49		49
Water Policy and Ecosystems Restoration		15		15
Water Resource Management		2		2
Water Restoration Assistance		28		28
<b>Totals:</b>	<b>274</b>	<b>361</b>	<b>24</b>	<b>659</b>

Satellite Phones

Satellite phones provide key Department staff a platform for strategic communication, specific to engaging with other critical State agency staff during an emergency event, in case

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<sup>1</sup> FLAIR is an accounting system used by the State of Florida.

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conventional communication services are unavailable. The Continuity of Operations Plans (COOP) outlines plans for interoperable communications throughout the Department. Annex H: Interoperable Communications states, *The Success of COOP plan operations at an alternate facility is dependent upon the availability, reliability and redundancy (when necessary) of critical communications systems to support mission essential functions through connectivity to internal organizations, the EOG, other agencies, critical customers and the public.* The number of satellite phones referenced in the Department COOP and the number on the FLAIR Property Master File are as follows:

Division/District/Office	Number of Satellite Phones Referenced in the Department COOP	Property Master File Number of Satellite Phones
Central District	2	2
Division of State Lands		1
Division of Waste Management	1	1
Division of Water Resource Management	1	1
Northeast District		2
Northwest District		3
Law Enforcement and Office of Emergency Response	2	2
Office of Water Policy and Ecosystems Restoration		1
Recreation and Parks		1
Secretary	2	4
South District		3
Southeast District	2	2
Southwest District		2
Office of Resilience and Coastal Protection	1	
<b>Total:</b>	<b>11</b>	<b>25</b>

## Results

### Computers, Laptops, and Tablets

The Procedures for Policy ADM 320 states that *Property decals should be issued for computers and tablets as soon as possible. Property Custodians shall send an email request to the Finance and Accounting Property Section referencing the method of acquisition and*

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*purchase details once the items are received.* According to Section 3.0 of Directive DEP 390, Information Technology Security Policies and Standards, *hardware and software inventories must be maintained by each Division, District, or Office.* Directive DEP 390 requires that all software installation requests be submitted through the OTIS Service Desk for installation. For newly acquired IT equipment, the OTIS Service Desk requires that the property number and decal be affixed to the equipment prior to set up and distribution.

We reviewed a sample of 34 computers, laptops, and tablets acquired between July 1, 2020 and March 24, 2021. The Procedures for Policy ADM 320 do not include a specific timeframe in which decals must be distributed for IT equipment. However, to review the timely identification of sensitive property, we compared the date the sampled items were received<sup>2</sup> by the Department to the date BFA sent the decal to the Property Delegate. Based on this comparison, decals were distributed to the Property Delegate over three weeks<sup>3</sup> after the items were received for 17 (50%) items.

The Procedures for Policy ADM 320 states, *An acknowledgement that each property label is affixed to the assigned property, unless otherwise allowed, is required by returning the property acknowledgement memo to the Finance and Accounting Property Section.* All 34 IT equipment items in our review had a property acknowledgement memo issued from BFA as required. Of these, one property acknowledgement memo was not returned. BFA staff indicated that property acknowledgement memos are periodically reviewed to ensure Property Delegates confirm decal receipt.

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<sup>2</sup> The date received was obtained from DAS Bureau of General Services Mail Center tracking or vendor delivery status tracking information.

<sup>3</sup> Three weeks = 15 business days.

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The Procedures for Policy ADM 320 also do not include a specific timeframe in which property acknowledgement memos are to be returned to BFA. To review timely acknowledgement of property identification, we compared the date decals were distributed to Property Delegates to the date the memos were returned. Based on this comparison, property acknowledgement memos were returned over three weeks after the memo was sent for six (18%) of the 33 which were returned.

### **Satellite Phones**

Chapter 69I-72.004 Florida Administrative Code (F.A.C.) states, *each property item shall be permanently marked with the identification number assigned to that item to establish its identity and ownership by the custodian holding title to the item.* To request a replacement property decal, form DEP 53-400 Request for Replacement Property Tag, must be completed with a picture of the property item. Of the 25 satellite phones maintained by the Department, we verified 24 had an affixed property decal. One satellite phone maintained by OER was missing the required decal. At the time of our review, the OER Property Delegate had not completed form DEP 53-400 Request for Replacement Property Tag.

The Procedures for Policy ADM 320 states, *Property may be permanently transferred within and from one Program to another. A transfer can include change in organization and/or location code. A Permanent Property Transfer Form, DEP 53-308 must be submitted to the Finance and Accounting Property Section when property is permanently transferred.* Of the 25 satellite phones, four were not being maintained at the physical location or Division listed on the FLAIR Property Master File.

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The COOP outlines plans for alternate facility interoperable communications throughout the Department. While the list maintained by OER includes 25 Department-owned satellite phones, the Department's COOP identifies only 11 satellite phones in Division/District/Office Interoperable Communications plans. Based on discussions with staff from the DAS Office of Safety and Loss Control, the COOP is updated on an annual basis. Input from each Division/District/Office is not reviewed externally for accuracy or consistency of information.

## **Conclusions**

Based on our review, the Department has processes in place for ensuring decals are issued for IT equipment purchases. However, we noted weaknesses in the timeliness of decal issuance and Property Delegate acknowledgement. The Department maintains an inventory of satellite phones for critical communications during emergency operations. These phones were identified consistent with the FLAIR Property Master File, with some exceptions. However, identification of these phones was not consistent between property records and the Department's COOP.

## **Findings and Recommendations**

### **Finding 1: Timely Receipt of Property Decals**

With respect to purchases of computers, laptops, and tablets, the Procedures for Policy ADM 320 states that *Property decals should be issued for computers and tablets as soon as possible. Property Custodians shall send an email request to the Finance and Accounting Property Section referencing the method of acquisition and purchase details once the items are received. The property decals will be distributed to the applicable Property Custodian and the property documentation process will be completed once the payment is processed.* According to



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Section 3.0 of Directive DEP 390, Information Technology Security Policies and Standards, *hardware and software inventories must be maintained by each Division, District, or Office.*

We reviewed a sample of 34 computers, laptops, and tablets acquired between July 1, 2020, and March 24, 2021. While the Procedures for Policy ADM 320 do not include a specific timeframe in which decals must be distributed for IT equipment, we compared the date the sampled items were received by the Department to the date BFA sent the decal to the Property Delegate. Based on this comparison, decals were distributed to the Property Delegate over three weeks after the items were received for 17 (50%) items (See Appendix 1). Of these, one was purchased with an incorrect commodity code which was not identified as property. One was for an order in which items were shipped at different times and property decals were not requested until the order was received in its entirety. One was for an order in which the IT equipment item was opened and determined that it was an incorrect item and the vendor would not accept the return of the opened item. A new purchase was created and the request for the property decal was delayed until the remaining items arrived. For three of the items, the request for a property decal was initiated prior to payment. For the remaining 11, the Property Delegate did not send an email to BFA prior to payment in MyFloridaMarketPlace<sup>4</sup> (MFMP). Several of the sampled items with noted delays in receiving the property decal were part of a larger order consisting of multiple items.

In reviewing the item receipt date in MFMP, we noted that seven of the 34 sampled items were marked received in MFMP over three weeks past the date the item was documented as

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<sup>4</sup> MyFloridaMarketPlace is the State of Florida's eProcurement system.

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received by either the DAS Bureau of General Services Mail Center tracking or vendor delivery status tracking information.

The Procedures for Policy ADM 320 do not include a specific timeframe in which property acknowledgement memos are to be returned to BFA. However, to review timely acknowledgement of property identification, we compared the date decals were distributed to the Property Delegates to the date the memos were returned. Based on this comparison, property acknowledgement memos were returned over three weeks after the memo was sent for six (18%) of the 33 which were returned (See Appendix 1). For the six items, three Property Delegates indicated that working remotely was the primary cause of delay, and one Property Delegate provided no cause for the delay. One of the property acknowledgement memos was submitted by the Property Delegate incorrectly and was returned by BFA staff for corrections. For one item, the Property Delegate indicated that the equipment had been provided to OTIS for testing and software installation prior to affixing the decal. Two of the six were also among the sampled IT equipment for which decals were distributed over three weeks past the date the item was received.

Due to the lack of a required timeframe for decal request, BFA may not be notified of the property acquisition until payment is processed in MFMP. In addition, without a required timeframe or controls over acknowledgement of receiving property decals, the Department lacks assurance that sensitive property items are being identified and set up in a timely manner. This poses a security risk over unidentified computers, laptops and tablets. Further, differences noted between the date items were received and the date they were marked received in MFMP indicate a lack of oversight for the accuracy of purchase records.

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Based on discussions with OTIS staff, warranties associated with computers, laptops, and tablets generally begin at the time the item is sent for delivery from the vendor. Delays in identification reduce the Department's timeframe for warranty claims in the event of item defect.

**Recommendation:**

We recommend DAS strengthen Department controls over timely identification of computers, laptops, and tablets. Department policies for property identification should include required timeframes for decal request and decal receipt acknowledgement. DAS should also work with Department Property Delegates to ensure item receipt dates are accurately recorded in MFMP. DAS should consider providing training or guidance regarding timely decal request, acknowledgement, and the correct means by which item receipt dates should be recorded in MFMP.

**Finding 2: IT Equipment Setup and Software Installation**

Directive DEP 390 requires that all software installation requests be submitted through the OTIS Service Desk for installation. For newly acquired IT equipment, the OTIS Service Desk requires that the property number and decal be affixed to the equipment prior to set up and distribution. During our review, we noted one laptop in which the property acknowledgement memo was delayed because the item had been provided to OTIS for testing and software installation prior to affixing the decal. Based on follow-up discussions with OTIS staff, there have been occasions when IT equipment is requested to be set up and software installed prior to the Property Delegate's receipt of the property decal. The practice of making exceptions for software installation and setup of unidentified equipment compromises the Department's control over IT equipment.

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## **Recommendation**

We recommend OTIS strengthen controls over IT service desk activities. Computers, laptops, and tablets should be identified as owned by the Department prior to setup and software installation.

## **Finding 3: Satellite Phone Location and Identification**

Chapter 69I-72.004 F.A.C. states, *each property item shall be permanently marked with the identification number assigned to that item to establish its identity and ownership by the custodian holding title to the item. The marking shall visually display the property identification number of the item and may include an electronic scanning code (“barcode”) to facilitate electronic inventory procedures.* To request a replacement decal, form DEP 53-400 Request for Replacement Property Tag, must be completed with a picture of the property item. Of the Department’s 25 satellite phones, one which is maintained by OER was missing the required decal. At the time of our review, the OER Property Delegate had not completed form DEP 53-400 Request for Replacement Property Tag.

The Procedures for Policy ADM 320 states, *Property may be permanently transferred within and from one Program to another. A transfer can include change in organization and/or location code. A Permanent Property Transfer Form, DEP 53-308 must be submitted to the Finance and Accounting Property Section when property is permanently transferred.* Of the 25 satellite phones, four were not being maintained at the physical location or Division listed on the FLAIR Property Master File. Two of these were listed as being located at District main offices but were located at the Districts’ satellite offices. The other two were listed as being located

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within the Division of State Lands and the Office of Water Policy and Ecosystems Restoration but were located in Deputy Secretaries' offices.

The Department's COOP outlines plans for interoperable communications throughout the Department. While the list of satellite phones maintained by OER includes the 25 Department-owned satellite phones, the Department's COOP identifies only 11 in Division/District/Office Interoperable Communications plans. Based on discussions with staff from the DAS Office of Safety and Loss Control, the COOP is updated on an annual basis. Input from each Division/District/Office is not reviewed externally for accuracy or consistency of information.

**Recommendation:**

We recommend DAS work with Department Property Delegates to ensure satellite phones are properly identified with accurate location codes. We also recommend DAS work with program areas to ensure the Department's COOP reflects a comprehensive listing and location of all Department-owned satellite phones for reference in the event of a disruption in providing mission critical functions.

*To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our 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, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The review was conducted by Lawrence Pickle and supervised by Valerie J. Peacock.*

*Please address inquiries regarding this report to the OIG's Audit Director by telephone at (850) 245-3151. Copies of final reports may be viewed and downloaded via the internet at <https://floridadep.gov/oig/internal-audit/content/final-audit-reports>. Copies may also be obtained by telephone (850) 245-3151, by fax (850)245-2994, in person or by mail at Department of Environmental Protection, Office of Inspector General, 3900 Commonwealth Boulevard, Mail Station #41, Tallahassee, FL 32399.*

*Valerie J. Peacock,  
Director of Auditing*

*Candie M. Fuller,  
Inspector General*

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## Appendix 1

District	Property Item Number	Item Acquired Date	Item Paid Date	Added to Property Master File Date	Property Memo Sent	Time Between Item Acquired and Memo Sent	Property Memo Returned Date	Time Between Property Memo Sent and Returned	Total Time from Acquired to Memo Return	Number of Items Included in the Sample Item Purchase Order
Administrative Services	00157633	6/11/20	7/8/20	7/8/20	6/12/20	1	4/23/21	217	218	16
Administrative Services	00158418	1/19/21	1/26/21	2/8/21	2/6/21	13	2/9/21	1	15	17
Administrative Services	00158247	12/11/20	12/17/20	12/30/20	12/30/20	12	1/5/21	3	17	18
Air Resources Management	00158372	12/28/20	1/15/21	1/21/21	1/21/21	16	1/25/21	2	20	9
Environmental Assessment Restoration	00157846	4/17/20	7/8/20	7/8/20	6/26/20	49	6/27/20	0	49	1
Environmental Assessment Restoration	00158285	11/30/20	12/28/20	12/30/20	12/30/20	21	1/12/21	8	31	20
Environmental Assessment Restoration	00158358	1/14/21	1/19/21	1/21/21	1/21/21	4	1/21/21	0	5	5
Environmental Assessment Restoration	00157710	6/16/20	7/8/20	7/8/20	6/24/20	6	1/11/21	136	149	10
Florida Geological Survey	00157897	6/1/20	7/9/20	7/9/20	7/10/20	28	7/30/20	14	42	3
Florida Geological Survey	00158320	12/30/20	1/5/21	1/13/21	1/13/21	9	2/23/21	28	39	11
Law Enforcement	00157914	6/29/20	7/14/20	7/14/20	7/17/20	13	2/26/21	153	168	10
Northeast District	00158212	11/16/20	12/4/20	12/10/20	12/10/20	16	1/6/21	17	37	10
Northwest District	00158382	12/28/20	2/10/21	2/11/21	1/25/21	18	1/15/21	0	20	13
Recreation and Parks	00158116	11/6/20	1/8/21	1/13/21	11/19/20	8	11/20/20	1	10	82
Recreation and Parks	00158235	10/16/20	12/9/20	12/17/20	12/17/20	41	1/7/21	13	59	1
Recreation and Parks	00157834	5/22/20	7/8/20	7/8/20	6/24/20	22	7/5/21	6	30	130
Recreation and Parks	00158492	12/11/20	2/15/21	2/16/21	3/3/21	55	3/3/21	0	58	62
Resilience and Coastal Protection	00157959	4/17/20	8/13/20	8/13/20	8/13/20	82	8/28/20	11	94	6
Resilience and Coastal Protection	00157992	10/16/20	10/30/20	11/9/20	10/16/20	0	11/2/20	11	11	22
Secretary	00158189	11/30/20	12/16/20	12/28/20	12/2/20	2	12/7/20	3	5	7
Secretary	00158514	2/16/21	3/1/21	3/5/21	2/17/21	1	2/22/21	3	4	3
South District	00158076	10/29/20	11/10/20	11/16/20	11/5/20	5	11/16/20	6	12	20
Southeast District	00157882	6/9/20	7/9/20	7/9/20	7/10/20	22	7/17/20	5	27	14
Southwest District	00158265	11/19/20	12/28/20	12/30/20	12/30/20	26	1/6/21	4	34	9
State Lands	00158226	11/16/20	12/7/20	12/10/20	12/10/20	16	12/15/20	3	21	15
State Lands	00158344	1/7/21	1/12/21	1/21/21	1/21/21	9	1/25/21	2	12	15
Technology Information Services	00157947	7/24/20	8/12/20	8/20/20	8/12/20	13	8/17/20	3	16	1
Technology Information Services	00158394	12/28/20	1/29/21	2/5/21	1/29/21	22	2/11/21	9	33	1
Technology Information Services	00158398	1/5/21	1/21/21	2/5/21	1/29/21	17	2/11/21	9	27	16
Waste Management	00158036	10/5/20	10/23/20	10/28/20	10/28/20	17	11/2/20	3	20	26
Waste Management	00158299	1/8/21	2/8/21	2/10/21	1/12/21	2	Not Returned	-	-	23
Water Policy and Ecosystems Restoration	00157974	8/28/20	9/15/20	9/21/20	9/21/20	15	2/10/21	96	113	1
Water Resource Management	00158023	10/9/20	10/19/20	10/28/20	10/28/20	13	11/4/20	5	18	2
Water Restoration Assistance	00158546	1/13/21	2/26/21	3/5/21	3/5/20	36	3/17/21	8	45	28
<b>Total</b>	<b>34</b>					<b>Average days: 18.53</b>		<b>Average days: 23.64</b>	<b>Average Days: 44.21</b>	<b>627</b>



# FLORIDA DEPARTMENT OF Environmental Protection

Marjory Stoneman Douglas Building  
3900 Commonwealth Boulevard  
Tallahassee, FL 32399

**Ron DeSantis**  
Governor

**Jeanette Nuñez**  
Lt. Governor

**Shawn Hamilton**  
Interim Secretary

## Memorandum

**TO:** Valerie Peacock, Audit Director  
Office of the Inspector General

**FROM:** Darinda McLaughlin, Chief of Staff of Operations  
Division of Administrative Services

Darinda  
McLaughlin

Digitally signed by Darinda  
McLaughlin  
Date: 2021.08.04 08:57:40 -04'00'

Warren Sponholtz, Chief Information Officer  
Office of Technology & Information Services

L. Warren  
Sponholtz, CIO

Digitally signed by L. Warren  
Sponholtz, CIO  
Date: 2021.08.04 08:45:44 -04'00'

**SUBJECT:** Report A-2021DEP-017  
Review of Controls Over Identification of Department Property

**DATE:** August 04, 2021

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This memorandum will serve as the Division's response to the subject audit findings and recommendations.

### Finding 1: Timely Receipt of Property Decals

- *Recommendation: We recommend DAS strengthen Department controls over timely identification of computers, laptops, and tablets. Department policies for property identification should include required timeframes for decal request and decal receipt acknowledgement. DAS should also work with Department Property Delegates to ensure item receipt dates are accurately recorded in MFMP. DAS should consider providing training or guidance regarding timely decal request, acknowledgement, and the correct means by which item receipt dates should be recorded in MFMP.*

**Response:** The Division agrees with the recommendation and will work to complete the corrective actions mentioned.

### Finding 2: IT Equipment Setup and Software Installation

- *Recommendation: We recommend OTIS strengthen controls over IT service desk activities. Computers, laptops, and tablets should be identified as owned by the Department prior to setup and software installation.*

**Response:** OTIS recognizes the risks associated with exceptions to the property tagging process and will tighten controls by clearly documenting the pre-tagging requirement and the exception process. These updates will be completed by January of 2022.

**Finding 3: Satellite Phone Location and Identification**

- *Recommendation: We recommend DAS work with Department Property Delegates to ensure satellite phones are properly identified with accurate location codes. We also recommend DAS work with program areas to ensure the Department's COOP reflects a comprehensive listing and location of all Department-owned satellite phones for reference in the event of a disruption in providing mission critical functions.*

**Response: The Division agrees with the recommendation and will work to complete the corrective actions mentioned.**