



Department of Environmental Protection

Office of Inspector General

December 22, 2023

Report A-2223DEP-013

Review of Department Controls Regarding Surplus Property

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted a review of Department Controls Regarding Surplus Property. This review was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2022-2023.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included the Department's attractive property and surplus attractive property, and the related surplus and disposal processes from July 1, 2021, to the present.

The objectives of the audit were to:

- Review and evaluate the adequacy of internal controls used to identify, process, and dispose of surplus attractive property.
- Determine compliance with policies, procedures, and controls relating to the surplus and disposal of attractive property.

To achieve our audit objectives, our methodology included:

- Reviewing applicable statutes, regulations, and internal operating procedures;
- Obtaining documentation and conducting analyses of surplus and disposition records; and
- Conducting interviews with the Bureau of Finance and Accounting (Finance and Accounting) Property Section, Property Custodians, and Mobile Device Representatives.

BACKGROUND

The Department has internal policies and procedures in place, establishing processes to certify items as surplus prior to being properly disposed of. According to Administrative Procedures for Property Policy ADM 320 (Procedures for Policy ADM 320), surplus property is defined as *property that is obsolete of the continued use of which is uneconomical or inefficient or which services no useful function as to any activity or location*. We focused our review on attractive items, defined in Department policies as, *tangible personal property items which must be tracked because they may be easily lost, misplaced or stolen, including computers, laptops, tablets....* According to Procedures for Policy ADM 320, the Bureau of Finance and Accounting Property Section is responsible for maintaining property records, updating the State of Florida's accounting system, and serving as the Surplus Property Review Board. The Review Board must provide approval before property can be classified as surplus. Those delegated as Property Custodians are primarily responsible for supervising and controlling property within their custody.

RESULTS OF AUDIT

We reviewed Department policies and procedures, individual property records, and area specific practices. Based on our review we found the following:

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Availability of Department Procedures and Forms

We determined all relevant policies, procedures, and forms were available on the Department's intranet, with the exception of the procedures for the sanitization of agency-owned computer equipment. According to Administrative Directive DEP 390, Information Technology Resource Security, *requests for the procedure for sanitization should be submitted to the Service Desk*. Upon request, we received the Office of Technology & Information Services (OTIS) Hard Drive Sanitization Policy.

Roles and Responsibilities

The roles and responsibilities pertaining to state-owned property management are defined in Procedures for Policy ADM 320. As part of this audit, we interviewed Property Custodians, Cell Phone Representatives, and employees in the Finance and Accounting Property Section to determine if they were adhering to the Department's surplus and disposition processes. Through interviews, we determined that the Property Custodians were generally aware of their responsibilities as they related to the surplus and disposition of items within their custody. However, Procedures for Policy ADM 320 requires Property Custodians to *maintain asset information and physical inventories*. During our review, we observed instances when the Property Custodians did not adequately maintain custody of items within their control. Specifically, our review found property surplus documentation for a laptop included the following comment: *Hard driving missing when picked up from OTIS*. Our review found no evidence that the hard drive was ever recovered or reported missing. We also interviewed Cell Phone Representatives in various offices throughout the State. Based on our communication with the Cell Phone Representatives, we determined there is uncertainty and inconsistency regarding the surplus and disposal process of mobile devices.

Property Custodian Designation

According to the Procedures for Policy ADM 320, *each Division/District/Office must appoint an employee within their Program to serve as its Property Custodian for property related activities. This delegation must be recorded through Directive DEP 100*. Based on our review, we concluded that each Division had one or more Property Custodians, as required. Those delegated as Property Custodians must be designated in accordance with Directive DEP 100, Delegations of Authority. At the time of our review, we determined that 88 Property Custodians were officially designated through a written memo, as required. We also reviewed the Property Custodians listed on the surplus documentation for each of the items we sampled. Based on our review, we determined one Property Custodian, who signed Certification of Surplus Property forms, was not designated as a Property Custodian at the time of their signature.

Reporting Surplus Property

According to Procedures for Policy ADM 320, surplus property should be reported to the section's Property Custodian. For each item we sampled, there was a Surplus Certification form signed by the Property Custodian, indicating the Property Custodian was made aware of the surplus property. To determine if Department employees know they should report unused property to their Property Custodian, we sent a survey to Department employees in various offices. We asked the respondents to name the Property Custodian for their area, only 25% of the respondents named a designated Property Custodian. Based on the survey responses we received, it appears Department employees may not have a clear understanding of who the designated Property Custodian is for their area. This may result in surplus items not being reported to the Property Custodian.

Department Certification of Surplus

To determine if the surplus and disposition process was adhered to as required, we selected 100 attractive items to sample. The sample items included items in the Division of Recreation and Parks (items from 20 State parks throughout the five districts), the Southwest District Office, the South District Office, the Office of Resilience and Coastal Protection, and the Florida Geological

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Survey. We reviewed and evaluated the Department's procedures and policies for maintaining property records for attractive items during the surplus and disposition process. Rule 69I-72.005, Florida Administrative Code (F.A.C.), requires specific information to be recorded on the individual property records for each item lawfully certified as surplus. We reviewed form DEP 55-406 to determine if the required information is documented and retained as required. For each sampled item, we obtained and reviewed DEP 55-406. The results of our document review are below:

Date of Certification:

According to Rule 69I-72.005(2)(a), F.A.C., the *date of certification* should be included on the property record for each item lawfully certified as surplus. Based on our review, each DEP 55-406 form for the items we sampled contained the signature and date of the Property Custodian, as required.

Reason for Certification:

According to Rule 69I-72.005(2)(b), F.A.C., the *reason for certification (obsolete, continued use uneconomical or inefficient, or serve no useful function)* should be included on the property record for each item lawfully certified as surplus. The Department's Surplus Certifications do not include a field for this information. Based on our review we do not believe this information is recorded and maintained for items certified as surplus, as required.

Review Board Recommendation Date:

According to Rule 69I-72.005(2)(c), F.A.C., the *date of review board recommendation on certification and reference to documentation thereof* should be included on the property record for each item lawfully certified as surplus. The Surplus Property Review Board signs DEP 55-406, directly indicating their recommendation for an item to be certified as surplus. Based on our review, each DEP 55-406 form for the items we sampled contained the signature and date of the Surplus Property Review Board's approval.

Employee Sanitizing or Destroying the Electronic Device:

According to Procedures for Policy ADM 320, *DEP form 55-406 DEP Certification of Surplus Property, must be completed to document the name of the person sanitizing or destroying the electronic device or media*. Based on our review, we determined that the name of the employee sanitizing or destroying the hard drive was included for a majority of the sample items; however, there were six forms that did not contain the name of the employee sanitizing the hard drive. Additionally, one of the property items (a laptop) did not contain the name of the employee sanitizing the device because the item was missing. This was indicated by a comment on the Department's Surplus Certification form for the laptop.

Disposition Authority:

According to Rule 69I-72.005(5)(b), F.A.C., the *authority of disposition (custodian certification as surplus property, agency resolution...)* should be included on the property record for each item lawfully disposed of in the manner prescribed. Based on our review, each DEP 55-406 form for the items we sampled contained the signature and date of the Property Custodian.

Manner of Disposition:

According to Rule 69I-72.005(5)(c), F.A.C., the *Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded)* should be included on the property record for each item lawfully disposed of in the manner prescribed. The DEP 55-406 forms allow the Property Custodian to select one of the following disposal methods: donated, scrapped, salvaged, or traded. Notably, there was not an option to indicate if an item was being sold. Based on our review, each DEP 55-406 form for the items we sampled were disposed of through the following ways: 12 were donated, 87 were scrapped, and 1 item was salvaged.

Sanitizing Electronic Devices

According to Administrative Directive DEP 390, *all electronic devices and media must be sanitized prior to being disseminated within DEP*. According to the directive, *forms of acceptable methods of sanitization include using agency-approved software to overwrite data on computer media, degaussing, or physically destroying media*. Administrative Directive DEP 390 states: *Procedures for sanitizing agency-owned computer equipment must be adhered to. Requests for the procedure for sanitization should be submitted to the service desk*. We requested and reviewed the current Hard Drive Sanitization Policy. The procedures in the policy are divided into three groups: (1) All Department Areas, (2) Common (Tallahassee) Area, and (3) District and Field Offices. For 2 and 3, the policy states, *hard drives must be destroyed if they are unable to [be] wiped or degaussed*. For the Common (Tallahassee) Area, the policy states: *the Custodian Delegate must submit tickets to the DEP Service Desk through the Cherwell Self-Service Portal to request sanitization of hard drives*. In the District and Field Offices *staff are responsible for sanitizing and destroying hard drives for their area of responsibility*. We developed an understanding of the sanitization and wiping practices through interviewing Property Custodians in different areas. The sanitization practices described by the Property Custodians were generally consistent with the Policy. During an interview with one Property Custodian, we were informed they are unable to wipe devices using the Department's provided sanitizing software, due to the software being outdated. According to the Property Custodian, OTIS has instructed staff to manually dispose of the items because they are unable to wipe them using the provided sanitization software.

Additionally, for the Common (Tallahassee) Area the policy states: *Technicians must complete "Hard Drive Sanitization/Wiping Labels" to adhere to both the computer/laptop/server and their hard drive (if detached from the computer/laptop/server). A copy of the label must also be attached to the DEP 55-406. Labels must be completed in their entirety and justify why parts are or were removed from the computer/laptop/server*. A copy of the labels are also included in Attachment A of the policy even though it only appears to apply to the Common (Tallahassee) Area. Based on our observations of some sanitized computers in Tallahassee, we noticed the Hard Drive Sanitization/Wiping Labels were not consistently affixed to computers, laptops, and servers as required. Additionally, we noted several Hard Drive Sanitization/Wiping Labels that were faded to the point they were no longer legible after being stored for a length of time and not disposed of timely.

Surplus Property Review Board

According to the Procedures for Policy ADM 320, the Finance and Accounting Property Section will serve as the Surplus Property Review Board. The Board will review surplus requests and provide approval to the Property Custodian. From the Finance and Accounting Property Section, we obtained a list of the Surplus Property Review Board, which consists of two regular members and two alternates. We reviewed the Surplus Certifications for our sample items and determined two members of the Surplus Property Review Board provided approval for each item we sampled, as required.

Surplus and Disposal Record Management

According to the Procedures for Policy ADM 320, the Finance and Accounting Property Section will update the accounting system, notify the property custodian when complete, and upload the documentation into the Department's electronic document management system. We confirmed through interviews with Property Custodians and the supporting documentation they provided, the Finance and Accounting Property Section regularly alerts the Property Custodians through email when the accounting system has been updated. We attempted to download the surplus documentation for the sampled items from OCULUS¹. At the time of our review, DEP 55-406 was

¹ OCULUS- the Department's electronic document management system.

uploaded for a majority of the items we selected to sample; however, for some property items surplus documentation had not been uploaded.

Division of Recreation and Parks Decal and Logo Removal

According to the Division of Recreation and Parks Operations Manual, *all state equipment, including decals and logos, must be removed from property so as to eliminate any means of associating the property with the Division, prior to disposition.* During our interviews with the Property Custodians, we asked those who work with property in the Division of Recreation and Parks if they are in the practice of removing decals and labels from laptops. Based on conversations with the Property Custodians in the Division of Recreation and Parks, we determined they are aware of this requirement and are in the practice of removing property stickers.

Property Acquired with Federal Grant Funding

According to the Procedures for Policy ADM 320, *programs with property acquired with Federal Grant Funding shall conduct a review of the grant agreement for additional conditions required for surplus.* Based on our communication with Property Custodians, they are generally unsure if items in their custody were obtained through federal funding. We also determined the Property Custodian did not review the grant agreement for additional conditions required for property surplus that was acquired using federal funds.

IT Infrastructure Physical Security

According to Administrative Directive DEP 390, *access to the computer data centers, server rooms, and closets housing network infrastructure equipment will be restricted to those responsible for maintaining these operations or related equipment. Visitors shall be recorded and supervised where appropriate. The System Administrator is responsible for determining which vendor maintenance/service personnel may be allowed to work without staff escort. Additionally, IT infrastructure must be placed in locked cabinets, locked closets, or locked computer rooms.* In a survey we sent out to a sample of Department employees in various positions and offices throughout the State, we asked the following multiple-choice question: *In your office/area, where are unused laptops or computers stored until they are sanitized and ready for surplus?* The responses we received indicated IT equipment is not always stored in locked cabinets, locked closets, or locked computer rooms, as required. We also interviewed Cell Phone Representatives to determine how cell phones that are waiting for surplus are stored. Based on their responses we determined that each area stores unused cell phones differently. We determined that not all mobile devices are secured properly.

During this audit we conducted a site visit to an area where computers and laptops are stored. Based on our discussion and subsequent observations, the room is occupied by one staff member and appears to be locked when staff are not present. However, we observed several laptops that were marked for surplus and sanitation but had been stored in the room for several months. The staff member that works out of that room informed us that OTIS staff also have a key to the room and regularly salvage parts from the computers that are in the process of being certified as surplus. The staff member also informed us that no records are kept tracking the removal of the components. Additionally, during our visit to the storage room, Department staff explained the surplus certification documentation for items stored in that room had not been uploaded to OCULUS because the property was in the process of being certified as surplus. We observed sanitized laptops and computers in the room that did not consistently have a legible Hard Drive Sanitization/ Wiping Label affixed. We also reviewed the documentation that was uploaded to OCULUS. Based on our review of the property acknowledgement forms and property transfer forms in OCULUS, we determined these documents were generally inconsistent with the location of the items. It was unclear which Property Custodian(s) have custody of the laptops and computers in the storage room. As a result, neither the Property Custodians or their delegates appear to be safeguarding or managing the hard drives pending sanitization, as required.

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Mobile Devices

According to the Administrative Procedures for Policy ADM 820, *once a corporate mobile device is no longer needed and will not be reassigned, the Representative should reset the device to the original factory setting. When the device has been reset the Representative should follow the standard surplus procedures as stated in DEP Directive ADM 320, State-Owned Real and Tangible Personal Property.* Based on our correspondence with the Division of Administrative Services and interviews with Cell Phone Representatives, there is uncertainty regarding the surplus and disposition procedures for mobile devices.

CONCLUSION

Based on our review, the Department's Property Custodians generally complete and submit the required surplus documentation to the Finance and Accounting Surplus Property Review Board for laptops and computers. During our review, we noted internal control weaknesses in the areas of surplus documentation retention for individual property records, securing IT Equipment pending sanitization, and the surplus and disposition of mobile devices. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Individual Property Record Information – The Department does not always document or maintain all required information for each property item certified as surplus.

We reviewed the Department's method for maintaining individual property records for items certified as surplus, to determine if the required information is documented and retained. According to Rule 69I-72.005, F.A.C, property records for items certified as surplus are required to include:

- (a) Date of certification.*
- (b) Reasons for certification (obsolete, continued use uneconomical or inefficient, or serves no useful function).*
- (c) Date of review board recommendation on certification and reference to location of documentation thereof.*
- (d) Reference to location of documentation evidencing compliance with those rules and guidelines promulgated by the custodian of surplus property.*

Additionally, Property records for items lawfully disposed of are required to include:

- (a) Date of disposition.*
- (b) Authority of disposition (custodian certification as surplus property, agency resolution, etc., as appropriate).*
- (c) Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded).*
- (d) Identity of the employee(s) witnessing the disposition, if cannibalized, scrapped or destroyed.*
- (e) For items disposed of a notation identifying any related transactions (such as receipt for sale of the item, insurance recovery, trade-in).*
- (f) For property certified as surplus, reference to documentation evidencing that such property was disposed of in the manner prescribed by Section 273.055(3), F.S.*

Within the Department, individual surplus and disposition information for property items are recorded on the Certification of Surplus Property Form, DEP 55-406. Based on our review, we found DEP 55-406 included much of the required information, with the following exceptions:

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- Reason for Certification:
DEP 55-406 does not contain a field prompting the Property Custodian to specify *the reason for certification* as required pursuant to Rule 69I-72.005, F.A.C.
- Manner of Disposition:
According to Rule 69I-72.005(5)(c), F.A.C., the *Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded)* should be included on the property record for each item lawfully disposed of in the manner prescribed. The DEP 55-406 forms allow the Property Custodian to select one of the following disposal methods: donated, scrapped, salvaged, or traded. Notably, there was not an option to indicate if an item was being sold. Based on our review, each DEP 55-406 form for the items we sampled were disposed of through the following ways: 12 were donated, 87 were scrapped, and 1 item was salvaged.
- Employee Sanitizing or Destroying the Electronic Device:
According to Procedures for Policy ADM 320, *DEP form 55-406 DEP Certification of Surplus Property, must be completed to document the name of the person sanitizing or destroying the electronic device or media.* Based on our review, we determined that the name of the employee sanitizing or destroying the hard drive was included for a majority of the sample items; however, there were six forms that did not contain the name of the employee sanitizing the hard drive. Additionally, one of the property items (a laptop) did not contain the name of the employee sanitizing the device because the item was missing. This was indicated by a comment on the DEP Surplus Certification form for the laptop. The Surplus Property Review Board approved these items to be certified as surplus without all of the required information listed on the DEP Certification of Surplus Property.

Recommendation:

- 1.1 We recommend the Department ensure DEP 55-406 includes all the information required to be maintained in accordance with Rule 69I-72.005, F.A.C., and is complete prior to approval of the Surplus Property Review Board.

Management Response:

- 1.1 The Division agrees with the recommendation and will work to complete correction actions mentioned.

Finding 2: Mobile Devices – Mobile Devices were not always sanitized, securely stored, or surplus in accordance with standard surplus procedures.

Standard Surplus Procedures:

According to the Administrative Procedures for Policy ADM 820, *once a corporate mobile device is no longer needed and will not be reassigned, the Representative should reset the device to the original factory setting. When the device has been reset the Representative should follow the standard surplus procedures as stated in DEP Directive ADM 320, State-Owned Real and Tangible Personal Property.* Based on our correspondence with Division of Administrative Services and interviews with Cell Phone Representatives, we found there is uncertainty regarding the surplus and disposition procedures for mobile devices.

According to Procedures for Policy ADM 320, the standard procedures for the disposal of surplus property include the following steps:

- Reporting the property to the Property Custodian.

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- Submitting DEP Certification of Surplus Property form DEP 55-406, to the Finance and Accounting Property Section.
- Review and approval from the Surplus Property Review Board.
- Upon disposal, the Finance and Accounting Property Section updates the accounting system, notifies the Property Custodian and adds the documentation to the electronic document management system (OCULUS).

Based on our review, we were informed that mobile devices are not recorded on DEP 55-406 for surplus purposes, because mobile devices do not use property numbers. Instead, each program area follows their own policy for disposing of mobile devices, and policies could differ from area to area. To gain an understanding of the surplus and disposition practices for mobile devices throughout the State, we interviewed various Cell Phone Representatives. None of the Cell Phone Representatives we interviewed completed the Surplus Certification form, DEP 55-406, as required by the standard surplus procedures. The Cell Phone Representatives we interviewed also did not follow area-specific policies. One Cell Phone Representative we interviewed informed us they were not sure what to do with surplus phones. As a result, mobile devices were being stored in her unlocked office. Since DEP 55-406 is not used to document the surplus and disposition of mobile devices, standard surplus procedures may not be followed consistently.

Secure Storage:

We interviewed Cell Phone Representatives to gain an understanding of internal controls relating to securing mobile devices. Based on their responses we determined that each area stores unused cell phones differently and not all phones are factory reset and stored in locked cabinets, locked closets, or locked computer rooms, as required. Examples of some of the information we obtained from the Cell Phone Representatives are summarized below:

- *The phones are stored in the IT room- the room remains unlocked during the day to allow employees to check out the phones used as floater phones.*
- *I am not sure what to do with them [phones], so I keep them in a drawer in my desk [which is unlocked].*
- *They [phones] are stored in my office under lock and key.*

Sanitization Practices:

According to the Administrative Procedures for Policy ADM 820, *once a corporate mobile device is no longer needed and will not be reassigned, the Representative should reset the device to the original factory setting. When the device has been reset the Representative should follow the standard surplus procedures as stated in DEP Directive ADM 320, State-Owned Real and Tangible Personal Property.* Based on our review of correspondence with the Division of Administrative Services and interviews with Cell Phone Representatives, there is uncertainty regarding the surplus and disposition procedures for mobile devices.

Recommendations:

- 2.1** We recommend the Department establish a sanitization and disposal procedure for mobile devices.
- 2.2** We recommend the Department provide adequate training and resources to Cell Phone Representatives to ensure they understand their responsibilities to safeguard surplus mobile devices in the process of being sanitized.

Management Response:

- 2.1** The Division agrees with the recommendation and will work to complete correction actions mentioned.

- 2.2 The Division agrees with the recommendation and will work to complete correction actions mentioned.

Finding 3: IT Equipment Physical Security – There is a lack of internal controls to ensure attractive items are secured pending sanitization.

According to the OTIS Hard Drive Sanitization and Disposition Policy, *Custodian Delegates are responsible for safeguarding or establishing related processes for securing surplus equipment pending hard drive sanitization.*

Missing Hard Drive:

During our review of the DEP 55-406 forms for the sample items, we noticed the following comment for a laptop: *Hard driving missing when picked up from OTIS.* We contacted the Division of Recreation and Parks Property Custodian listed on the form to gain an understanding of the situation. The Property Custodian said, *“hard drives are internal and I am not aware of the before or after status of the hard drive other than when IT went to wipe the hard drive it was not present.”*

The Property Custodian suggested we contact the OTIS employee who handled the sanitization of the other items listed on the form. The OTIS employee said, *“The laptop (property #00121680) did not have a hard drive when I picked it up from Rec & Parks. I returned it with the others and informed [the property custodian at the time] that it was missing. I do not know what action he took after I left. To my knowledge he didn’t provide a missing drive later to be sanitized/wiped.”* We also contacted the Finance and Accounting Property Section to determine how their process approving property to be certified as surplus changes when a hard drive is missing. We were told, *a missing hard drive does not impact the way we handle the surplus process since we still need to dispose of the actual computer, it just must be indicated on the form since it was not wiped. My understanding is that OTIS would make note of the missing hard drive on the Cherwell Ticket and turn it back over to the Property Custodian to investigate and handle.* Based on our correspondence with multiple employees involved in the sanitization and disposition of the laptop with the missing hard drive, there is no evidence that the hard drive was ever recovered or reported missing.

Secure Storage:

According to Administrative Directive DEP 390, *IT infrastructure must be placed in locked cabinets, locked closets, or locked computer rooms.* During this audit we conducted a site visit to an area where computers and laptops are stored. Based on our discussion and subsequent observations, the room is occupied by one staff member and appears to be locked when staff are not present. The staff member who occupies the room and monitors the IT equipment has not been designated as a Property Custodian. However, we observed several laptops that were marked for surplus and sanitation but had been stored in the room for several months. The staff member that works out of that room informed us that OTIS staff also have a key to the room and regularly salvage parts from the computers that are in the process of being certified as surplus. The staff member also informed us that no records are kept tracking the removal of the components. Additionally, during our visit to the storage room, Department staff explained the surplus certification documentation for items stored in that room had not been uploaded to OCULUS, because the property was in the process of being certified as surplus. We observed sanitized laptops and computers in the room that did not consistently have a legible Hard Drive Sanitization/ Wiping Label affixed. We also reviewed the documentation that was uploaded to OCULUS. Based on our review of the property acknowledgement forms and property transfer forms on OCULUS, we determined these documents were generally inconsistent with the location of the items. It was unclear which Property Custodian(s) have custody of the laptops and computers in the storage room. As a result, neither the Property Custodians or their delegates appear to be safeguarding or managing the hard drives pending sanitization, as required.

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Additionally, we sent out a survey to 40 Department employees in various offices throughout the State, and asked the following multiple-choice question, *In your office/area, where are unused laptops or computers stored until they are sanitized and ready for surplus?* The survey responses we received are summarized below:

- *They are stored in an **unlocked** location:* 19% of survey respondents selected this answer.
- *They are secured in a **locked** location:* 19% of survey respondents selected this answer.
- *Other:* 6% of survey respondents selected this answer.
- *I don't know:* 56% of survey respondents selected this answer.

Based on the answers provided by the survey respondents, it appears laptops and computers may not be properly secured prior to being sanitization in various offices within the Department.

Recommendations:

- 3.1** We recommend the Department work with the Property Custodians and Cell Phone Representatives to ensure they are aware of their responsibility to safeguard laptops, computers, and mobile devices in the process of being sanitized.
- 3.2** We recommend the Department work with the Bureau of Finance and Accounting Property Section to develop a process to catalog missing hard drives, prior to approving the Department Certification of Surplus.

Management Response:

- 3.1** The Division agrees and will work with OTIS to enhance training for Property Custodians and Cell Phone Representatives.
- 3.2** The Division agrees with the recommendation and will work to complete the corrective actions mentioned.

Finding 4: Surplus Documentation – Surplus documentation was not always uploaded to OCULUS, as required, and location of property was not always accurately documented.

Regarding the disposal of surplus property, Procedures for Policy ADM 320, states: the *Finance and Accounting Property Section will update the accounting system, notify the Property Custodian when completed, and upload the documentation into the Department's electronic document management system.* For each item we sampled in this audit, we downloaded all the surplus documentation from OCULUS. At the time of our review, form DEP 55-406 was in OCULUS for 92% of the sampled items. We were able to obtain DEP 55-406 for the remaining items by contacting the Property Custodians. Based on our review, not all the Certification of Surplus Property forms were uploaded to OCULUS as required.

Additionally, we reviewed the documentation that was uploaded to OCULUS for the 40 laptops and computers awaiting surplus in a storage room. Based on our review, the property transfer forms in OCULUS, generally did not accurately reflect the location of the items. For over half of the items, the documentation in OCULUS indicated the property was in a District or Field Office, rather than in a storage room located in Tallahassee. We also reviewed an updated Master Property List and found that 20% of the items were incorrectly listed as being in locations throughout the State other than in the storage room in Tallahassee. Based on our review and discussion with Department staff, the transfer documentation was not always completed as required, and “clean-up” work was needed in order to determine who the Property Custodian is for multiple laptops and computers located in the storage room.

Recommendations:

- 4.1 We recommend the Department work with the Finance and Accounting Property Section to ensure surplus documentation is uploaded to OCULUS as required.
- 4.2 We recommend the Department work with Property Custodians to ensure property transfer documentation is accurate and complete as required.

Management Response:

- 4.1 The Division agrees with the recommendation and will work to complete the corrective actions mentioned.
- 4.2 The Division agrees with the recommendation and will work to complete the corrective actions mentioned.

Finding 5: Hard Drive Sanitization/Wiping labels – Labels were not consistently affixed to laptops and computers as required.

According to Administrative Directive DEP 390, *all electronic devices and media must be sanitized prior to being disseminated within DEP*. According to the directive, *forms of acceptable methods of sanitization include using agency-approved software to overwrite data on computer media, degaussing, or physically destroying media*. Administrative Directive DEP 390 also states: *Procedures for sanitizing agency-owned computer equipment must be adhered to. Requests for the procedure for sanitization should be submitted to the service desk*. We requested and reviewed the current Hard Drive Sanitization Policy. The procedures in the policy are divided into three groups: (1) All Department Areas, (2) Common (Tallahassee) Area, and (3) District and Field Offices. For 2 and 3, the policy states, *hard drives must be destroyed if they are unable to [be] wiped or degaussed*. For the Common (Tallahassee) Area, the policy states: *the Custodian Delegate must submit tickets to the DEP Service Desk through the Cherwell Self-Service Portal to request sanitization of hard drives*. In the District and Field Offices *staff are responsible for sanitizing and destroying hard drives for their area of responsibility*. We developed an understanding of the sanitization and wiping practices through interviewing Property Custodians in different areas. The sanitization practices described by the Property Custodians were generally consistent with the policy. During an interview with one Property Custodian, we were informed they are unable to wipe devices using the Department's provided sanitizing software, due to the software being outdated. According to the Property Custodian, OTIS has instructed staff to manually dispose of the items because they are unable to wipe them using the provided sanitization software.

Additionally, for the Common (Tallahassee) Area the policy states: *Technicians must complete "Hard Drive Sanitization/Wiping Labels" to adhere to both the computer/laptop/server and their hard drive (if detached from the computer/laptop/server). A copy of the label must also be attached to the DEP 55-406. Labels must be completed in their entirety and justify why parts are or were removed from the computer/laptop/server*. A copy of the labels are also included in Attachment A of the policy even though it only appears to apply to the Common (Tallahassee) Area. Based on our observations of some sanitized computers in Tallahassee, we noticed the Hard Drive Sanitization/Wiping Labels were not consistently affixed to computers, laptops, and servers as required. Additionally, we noted several Hard Drive Sanitization/Wiping Labels that were faded to the point they were no longer legible after being stored for a length of time and not disposed of timely.

Recommendations:

- 5.1 We recommend the Department work with OTIS to ensure Hard Drive Sanitization/Wiping Labels are completed and affixed to hard drives in the Common (Tallahassee) Area, as required, and also consider revising the Hard Drive Sanitation and Disposition Policy to ensure sanitation procedures are consistent Statewide.

Management Response:

- 5.1 OTIS agrees with this recommendation and will work with the Division to develop and ensure a consistent policy and best practices.

Finding 6: Surplus of Federally Acquired Property – Property Custodians are not in the practice of reviewing grant agreements during the surplus process.

According to the Procedures for Policy ADM 320, *programs with property acquired with Federal Grant Funding shall conduct a review of the grant agreement for additional conditions required for surplus.* We asked each of the Property Custodians we interviewed if any property in their section was acquired through Federal grant funding. Each Property Custodian said they did not believe there were any laptops or computers that had been funded through a federal grant in their area. We then reviewed Department records to identify areas with attractive items acquired through Federal grants. We consulted with Property Custodians in these areas, and they were also unsure about the funding source of the items within their custody. The Property Custodian for the Division of Water Resource Management said that laptops and computers in her area were likely acquired through Federal funding; however, she did not review the grant agreement language prior to surplusing equipment.

Recommendations:

- 6.1 We recommend the Department work with Property Custodians to ensure they are aware of property within their custody that has been acquired with Federal funding, and reviews of Federal grant agreements are conducted to determine if there are additional conditions required for surplus.

Management Response:

- 6.1 The Division agrees with the recommendation and will work to complete the corrective actions mentioned.

Finding 7: Property Custodian Designation – An employee who certified an item as surplus was not designated as a Property Custodian at the time.

According to the Procedures for Policy ADM 320, *each Division/District/Office must appoint an employee within their Program to serve as its Property Custodian for property related activities. This delegation must be recorded through Directive DEP 100.* Based on our review, we concluded that each Division had one or more Property Custodians, as required. Those delegated as Property Custodians must be designated according to Directive DEP 100. At the time of our review, we determined that 88 Property Custodians were officially designated through a written memo, as required. We also reviewed the Property Custodians listed on the surplus documentation for each of the items we sampled. Based on our review, we determined one Property Custodian, who signed Certification of Surplus Property forms, was not designated as a Property Custodian at the time of their signature.

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Recommendation:

- 7.1 We recommend the Department work with the Finance and Accounting Property Section to ensure employees signing property surplus forms are a properly designated Property Custodian prior to approving an item to be certified as surplus.

Management Response:

- 7.1 The Division agrees with the recommendation and will work to complete the corrective actions mentioned.

STATEMENT OF ACCORDANCE

Statement of Accordance

The Mission of the OIG is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

This work product was prepared pursuant to § 20.055, Florida Statutes, in accordance with the *Principles and Standards for Offices of Inspectors General* as published by the Association of Inspectors General and the *International Standards for the Professional Practice of Internal Auditing*, as published by the Institute of Internal Auditors, Inc. The audit was conducted by Hannah Heinke-Green and supervised by Susan Cureton.

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