



Florida Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

September 22, 2008

Mr. Terry Shoffstall, Staff Director
Joint Legislative Auditing Committee
Room 876
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1400

Dear Mr. Shoffstall:

Enclosed is the Department's written explanation of the status of recommendations contained in Auditor General State of Florida – Compliance and Internal Controls over Financial Reporting and Federal Awards (2008-11). If you have any questions in this regard, please call Joe Aita, Director of Auditing, at 245-3151.

Sincerely,

A handwritten signature in cursive script that reads "Roy C. Dickey".

Roy C. Dickey
Interim Inspector General

Enclosure

RCD/ ksr

cc: Joseph Aita, Director of Auditing
Rufus Noble, Director of Division of Administrative Services
Lynda Watson, Chief of Finance and Accounting

**State of Florida - Compliance and Internal Controls Over Financial
Reporting and Federal Awards - In Accordance With OMB Circular A-133**

2008-141

Issued: March 24, 2008

FINDING NUMBER 1:

The Florida Department of Environmental Protection did not design appropriate internal controls to identify and record amounts owed to component units at fiscal year-end.

RECOMMENDATION:

The Auditor General recommended that FDEP enhance its procedures for recording fiscal year-end component unit liabilities.

DIVISION:

Administrative Services

CURRENT STATUS:

FDEP has implemented the following procedures for recording fiscal year-end component unit liabilities: An estimate of amounts due from FDEP as of June 30, 2008, was obtained from the chief financial officer of each component. These estimates were reviewed to determine that all outstanding quarters were included and were compared to related appropriations for reasonableness. Discrepancies were discussed and resolved with the component unit financial staff. Final estimates were recorded in FLAIR as "Due to Component Units". These procedures will be continued in subsequent years to identify and record amounts owed to component units at fiscal year-end.

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FINDING NUMBER 2:

Reconciliations between the State's Schedule of Expenditures of Federal Awards (SEFA) and the State's basic financial statements were not always prepared.

RECOMMENDATION:

The Auditor General recommended that the State agencies follow Florida Department of Financial Services (FDFS) instructions and prepare reconciliations between total expenditures reported on the Schedule of Expenditures of Federal Awards (SEFA) data form and the agencies' financial statements. Further, we recommend that FDFS revise the certification to require agencies to certify that a reconciliation between the SEFA data form and the agencies' financial statements has been prepared.

DIVISION:

Administrative Services

CURRENT STATUS:

In accordance with SEFA preparation instructions issued by FDFS, FDEP provided a reconciliation between FDEP's 2007-2008 Schedule of Expenditures of Federal Awards (SEFA) and the State's basic financial statements to FDFS.