



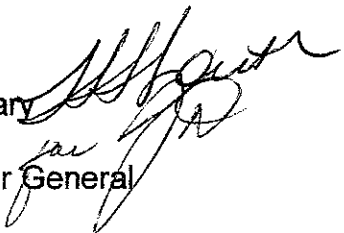
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Governor Charlie Crist

Secretary Linda H. South

MEMORANDUM

DATE: November 13, 2008

TO: Linda H. South, Secretary 

FROM: Steve Rumph, Inspector General

SUBJECT: Six-Month Status Report to Auditor General Report No. 2008-176

Pursuant to Section 20.055(5)(g), Florida Statutes, the following is our explanation of the six-month status of findings and recommendations included in the Auditor General's Report No. 2008-176, *Department of Management Services, Wireless Emergency Telephone System Fund*. Our response addresses the findings and recommendations in the same order as they appear in the report.

Six-Month Status Report

Finding No. 1: Revenue Recognition

Contrary to generally accepted accounting principles, DMS and the Board did not record in the State's accounting system, the Florida Accounting Information Resource Subsystem (FLAIR), a receivable for provider fees billed at fiscal year end.

Recommendation:

We recommend that DMS and the Board record wireless fee revenue on the modified accrual basis of accounting in accordance with generally accepted accounting principles. Specifically, an account receivable should be established in the Wireless Fund for any provider fee revenue collectible within 60 days after fiscal year end.

Original Response:

We concur with the recommendation. The financial statements for the Florida E911 Board are prepared on the modified accrual basis of accounting. The accounts receivable for June 30, 2008 will be recorded by September 15, 2008 with information received from Law, Redd, Crona and Munroe, the E911 Board's independent CPA firm. A post closing adjustment will be submitted to the Department of Financial Services for this entry by September 15, 2008.

Current Status of Recommendation

The accounts receivable for June 30, 2008 were recorded by September 15, 2008 with information received from Law, Redd, Crona and Munroe, the E911 Board's independent CPA firm. A post closing adjustment was submitted to the Department of Financial Services for entry on September 16, 2008.

OIG Position

We agree with the actions taken by the Board and recommend this finding be closed.

Finding No. 2: Budget Administration – Authorized Positions

Board procedures were not sufficient to ensure that salaries and benefits were calculated and allocated appropriately based on actual time worked.

Recommendation:

We recommend that DMS and the Board strengthen procedures over the calculations of amounts to be transferred from the Wireless Fund to the Communications Working Capital Trust Fund and ensure reimbursement for the amounts transferred in error.

Original Response:

We concur with the recommendation. The Department on behalf of the Florida E911 Board implemented a procedure to ensure that DMS staff presents all invoices for payment to the Board, or the Board Chair, for review and approval prior to any amounts being transferred from the Wireless Fund to the Communications Working Capital Trust Fund. The Board has issued the invoice for reimbursement of salaries and benefits transferred in error. A copy of the invoice was provided to Auditor General Staff in the exit interview for their records.

Current Status of Recommendation

The Department on behalf of the Florida E911 Board implemented and continues to practice the procedure to ensure that DMS staff presents all invoices for payment to the Board, or the Board Chair, for review and approval prior to any amounts being transferred from the Fund to the Communications Working Capital Trust Fund.

OIG Position

We agree with the actions taken by the Board and recommend this finding be closed.

If further information is needed, please contact John Davis, Auditor Director, or myself at 488-5285.

JSR/gz

Ms. Linda H. South, Secretary

November 13, 2008

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cc: Terry L. Shoffstall, Director
Joint Legislative Auditing Committee

David W. Martin, Auditor General

Ken Granger, Chief of Staff
Department of Management Services

David Faulkenberry, Deputy Secretary
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John C. Ford, Chairman, Florida E911 Wireless Board
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