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Governor Charlie Crist

Secretary Linda H. South

## MEMORANDUM

**DATE:** November 16, 2010  
**TO:** Linda H. South, Secretary  
**FROM:** Steve Rumph, Inspector General  
**SUBJECT:** Six-Month Status Report to Auditor General Report No. 2010-196

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. 2010-196, *Department of Management Services, Emergency Communications Number E911 System Fund*. Our response addresses the findings and recommendations in the same order as they appear in the report.

### Six-Month Status Report

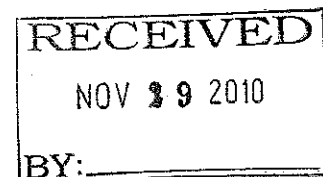
#### Finding No. 1: Board Meeting Travel Expenditures

With respect to Board meetings, the use of competitive quotes in selecting meeting venues and increased economy of transportation could provide significant savings.

#### Recommendation:

To reduce the cost of Board meetings, we recommend that:

- The Board establish procedures for regularly negotiating the best rate when choosing lodging and meeting rooms and maintain documentation of such quotes. Additionally, in developing quotes, the Board should consider estimates of the costs of holding its meetings at State-owned facilities (e.g., community colleges, State universities, and State agency facilities) where meeting rooms may be free or available at a lower cost than those provided by hotels.
- Whenever practicable, Board staff reduce the number of vehicles used for Board meeting travel.



**Response:**

**Lodging:** The Board concurs with this recommendation. DMS staff supporting the Board will enhance procedures by July 1, 2010 to ensure that competitive rate quotes are obtained from multiple hotels in each of the four designated centralized meeting locations (Jacksonville, Orlando, Tallahassee, Tampa) each calendar year, and will negotiate the best rates available when selecting lodging and meeting rooms for Board meetings. Additionally, State-owned facilities will be researched for availability of meeting rooms where practicable.

**Transportation:** The Board concurs with this recommendation. DMS staff supporting the Board will consolidate rental vehicles for travel to Board meetings, when practicable.

**Current Status of Recommendation**

DMS staff supporting the Board has obtained competitive rate quotes from multiple hotels for the 2011 meeting schedule. Additionally, State-owned facilities have been reserved for the Tallahassee based Board meetings to utilize available meeting rooms.

DMS staff supporting the Board has consolidated rental vehicles for travel to Board meetings, when practicable.

**OIG Position**

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

**Finding No. 2: Disbursements to Providers**

**DMS and the Board continued to execute payments to providers who, contrary to DMS and Board rules, failed to complete and file required sworn invoices.**

**Recommendation:**

**We again recommend that DMS and the Board ensure that disbursements to providers are made only upon receipt of sworn invoices meeting the requirements of DMS and Board rules.**

**Response:**

The Board concurs with this recommendation. All invoices received from the service providers were sworn / notarized invoices; however, the certification

statement for one service provider was omitted on two of their submitted invoices. On March 4, 2010, DMS staff supporting the Board received the certification statement for the two invoices that did not previously include the required certification statement. DMS and the Board will review all required documentation submitted, to ensure that disbursements to providers are made only upon receipt of sworn invoices with the requirements of DMS and Board rules.

#### **Current Status of Recommendation**

The Board and DMS staff supporting the Board continues to review all required documentation received by the service providers to ensure compliance of the requirements for sworn invoices and certification statements, prior to disbursements to the service providers.

#### **OIG Position**

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

#### **Finding No. 3: Interest Earnings Disbursement to Counties**

The interest earnings disbursement paid to counties was calculated incorrectly.

#### **Recommendation:**

**To ensure that future interest earnings disbursements are accurate, we recommend that DMS and the Board strengthen procedures over the interest earnings disbursement calculation. Additionally, we recommend that the underpayment be distributed to the counties in accordance with the interest earnings distribution rate.**

#### **Response:**

The Board concurs with this recommendation. The Board's independent accounting firm has been reconciling the year to date interest amount per the financial statements to the FLAIR trial balance received on a monthly basis. Upon disbursement of the interest earnings to the counties, the Board's accounting firm will reconcile the amount to be disbursed with FLAIR interest earnings for the period from the last distribution date to the current distribution date. In addition, the underpayment calculated at \$10,179.00 will be distributed at year end in accordance with the interest earnings distribution rate.

Ms. Linda H. South, Secretary

November 16, 2010

Page 4

**Current Status of Recommendation**

The Board's independent accounting firm, upon disbursement of the interest earnings to the counties, reconciles the amount disbursed with FLAIR interest earnings for the period from the previous distribution date to the current distribution date.

**OIG Position**

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

JSR/gz

cc: Kathy Dubose, Staff Director  
Joint Legislative Auditing Committee

David W. Martin, Auditor General

David Faulkenberry, Deputy Secretary  
Department of Management Services

John C. Ford, Chairman, Florida E911 Board  
Department of Management Services

Charles Ghini, Director, Division of Telecommunications  
Department of Management Services