

**Florida School for the Deaf and the Blind
Administrative Response to Auditor General's Recommendations
For the Period July 1, 2010 through February 29, 2012**

<i>Follow-Up Report In Accordance with F.S. 20.055</i>

Finding No. 1: Capital Outlay and Construction Administration

The School's Legislative Budget Request for Public Education Capital Outlay funding was not adequately supported.

Recommendation: The School should review and revise its *Plan* and fixed capital outlay LBR methodology, as appropriate, to ensure that funding needs for Campus Infrastructure, Building Maintenance, and Campus Wide Site are specifically identified and prioritized as required by law, and supported by adequate documentation.

FSDB Response: We concur with your finding and have made every effort to comply with the applicable statutes in subsequent Legislative Budget Requests. As discussed at our exit conference, during which we provided you with a copy of the School's *2014-2019 Facilities Master Plan and 2014-2015 PECO Legislative Budget Request*, the School has adopted an industry standard methodology for estimating facilities maintenance and construction needs that we believe complies with the law. This methodology, used to develop the *2014-2019 Plan* and the *2014-2015 LBR*, has been reviewed and accepted by the Department of Education.

Follow-up: *The 2014-2015 Fixed Capital Outlay LBR was prepared in accordance with the 2014 – 2019 Campus Master Plan, Educational Plant Survey and Facilities Master Plan.*

Finding No. 2: Capital Outlay and Construction Administration

The School needed to enhance its controls over subcontractor selection for construction management projects and review of construction manager invoices.

Recommendation: The School should enhance its procedures to ensure that subcontractors selected for contracts not exceeding \$10,000 are pursuant to documented competitive verbal quotes. The School should also ensure that CM invoices are adequately supported and mathematically correct prior to payment.

FSDB Response: We concur with the finding and modified our existing procedures as recommended. On June 7, 2012, the documentation procedures for subcontractor contracts were expanded to include obtaining evidence of all quotes, bids, etc. from the CM regardless of dollar amount. Also, CM invoices are now subjected to even greater scrutiny to detect the smallest of arithmetical errors.

Follow-up: *The Contract Administrator monitors the CM sub-contractor procurement methods and documents the file with notes concerning verbal quotes, bids, etc. The Accounting Office reviews all CM invoices in detail and matches the amounts in them to supporting documentation.*

Finding No. 3: Payroll and Personnel Administration

The School did not always document compliance with Florida Department of Management Services Rules regarding dual employment compensation, classification actions, and pay supplements.

Recommendation: The School should revise its procedures as necessary to ensure compliance with applicable DMS rules and the School's *Manual and Handbook*, and improve its documentation of dual employment assignments, classification actions, and pay supplements.

FSDB Response: We concur with the finding, and will make a concerted effort to ensure compliance with all DMS rules that apply to FSDB and to the School's *Manual and Handbook*.

Follow-up: *The HR Department ensures compliance with all DMS rules and the School's Manual and Handbook.*

Finding No. 4: Procurement

The School's administration of purchasing cards needed improvement.

Recommendation: The School should ensure that purchasing card charges are properly reviewed prior to payment, allowable exceptions to the p-card purchasing guidelines adequately explained and documented and terminated employees' cards timely canceled.

FSDB Response: We concur with the finding, and have implemented new policies and procedures to ensure compliance with all purchasing card rules and guidelines. Our newest policies and procedures were submitted to the Department of Financial Services, Division of Accounting and Auditing, and approved by them on March 1, 2013. A program of employee re-education has begun.

Follow-up: *New purchasing card policies and procedures were implemented in March, 2013. The Purchasing Card Administrator ensures compliance with the new policies and procedures and conducts employee training as required.*

Finding No. 5: Student Bank

Procedures governing the use of Student Bank advances were not always consistently applied.

Recommendation: The School should ensure procedures governing the use of Student Bank cash advances are consistently applied. The School should also ensure

that cash advances are limited to those situations or circumstances where the use of a standard purchase requisition or p-card is not appropriate.

FSDB Response: We concur with the finding and have taken the necessary to steps to ensure consistent application of the existing rules concerning cash advances from the Student Bank.

Follow-up: *The Student Bank more thoroughly documents the reasons for advances being granted and applies the existing rules as stringently as possible.*