May 11, 2009

Mr. Gerald M. Bailey
Commissioner
2331 Phillips Road
Tallahassee, Florida 32308

Dear Commissioner Bailey:

Section 20.055 (5)(h), Florida Statutes, requires the Inspector General to monitor the implementation of the agency’s response to any report on the agency issued by the Auditor General or OPPAGA. Below are the status updates of corrective actions taken for the preliminary findings and recommendations from:

Operational Audit of the Florida Department of Law Enforcement,
Auditor General Report No. 2009-038
Criminal History Checks and Prior Audit Follow-Up,
for the period July 2006 through February 2008

Finding No. 1, Department Costs: The Department had not developed and implemented a methodology to identify and summarize all direct and indirect costs related to the performance of criminal history checks.

Recommendation 1: We recommend that the Department develop and implement a methodology that identifies and summarizes all direct and indirect costs related to the performance of criminal history checks.

FDLE Response: Disagree. Until this year, Section 943.053, Florida Statutes provided that the fee for criminal history information should approximate the cost of producing the criminal history information. However, criminal justice information services have been expanded and FDLE has absorbed enhancements to programs without corresponding resources. The Legislature has utilized revenue from the criminal history checks to shift substantial Operating Trust Fund dollars to address shortfalls and to fund other functions within the Department.

Further, during this difficult economic period, the Department will most likely undergo significant budget cuts and will not have the resources to develop the recommended methodology. Therefore, we believe that implementing a methodology is neither necessary nor prudent.

Six Month Response: FDLE continues to deal with the difficulties of this economic period and has no plans to address this finding.

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Mr. Gerald M. Bailey  
May 11, 2009  
Page Two

**Finding No. 2, Receipt Processing:** The Department's internal controls relating to the collection and processing of criminal history check revenues could be improved.

**Recommendation 2:** We recommend that the Department implement procedures to record receipts at the initial point of collection and immediately restrictively endorse all checks when received.

**FDLE Response:** *Agree.* Since the audit was performed, the User Services Bureau (USB) has improved its processing of criminal history check revenues:

- Criminal history record check requests with payment enclosed are opened, endorsed and the request processed within the USB.
- USB mail is delivered and processed within a secure, locked area with access limited by electronic swipe cards to authorized members only.
- Checks are restrictively endorsed immediately upon removal from envelopes.
- A detailed protocol has been implemented to “batch” process incoming checks.

**Six Month Response:** USB is continuing to use the improved processes noted in the FDLE response above.

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**Finding No. 3, Firearms Dealers:** Firearms dealers were not always billed for criminal history checks processed by the Department.

**Recommendation 3:** We recommend that the Department establish procedures to ensure that all firearms dealers are timely invoiced for all criminal history checks performed by the Department.

**FDLE Response:** *Agree.* The firearms dealer invoice procedure has been changed to include the running of a report to show any transactions that were not uploaded into the FACTS program for invoicing. The 17 firearms dealers referenced in the audit have been invoiced. Each of the invoices has been paid in full with the exception of one dealer who currently has an unpaid balance of $8390, but has been making monthly payments.

**Six Month Response:** Procedures have been implemented to ensure that all criminal history check transactions for firearms dealers are invoiced. A reconciliation report is prepared each month to ensure invoices are created for all transactions. One firearms dealer continues to make monthly payments and the current unpaid balance is $6,590.

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Finding No. 4, FACTS Security Controls: Certain security controls related to the Financial Accounting Criminal History Tracking System (FACTS) needed improvement.

Recommendation 4: The Department should implement appropriate security controls to ensure the continued integrity, confidentiality, and availability of Department data.

FDLE Response: Agree. Based on this recommendation, additional controls to further strengthen the security controls in FACTS as noted in the confidential finding will be implemented by November 30, 2008.

Six Month Response: All security controls have been implemented in FACTS.

Finding No. 5, Program Costs: As similarly noted in audit report No. 2007-014, the Department had not implemented a cost allocation plan that identified and summarized all direct and indirect costs associated with the Criminal Justice Professionalism Program (CJPP).

Recommendation 5: We again recommend that the Department implement cost allocation methodologies that identify and summarize all direct and indirect costs of the CJPP.

FDLE Response: Disagree. The legislative budget request for fiscal year 2009-2010 includes potential budget cuts for the Criminal Justice Professionalism Program. If the cuts are made, this would impact any cost allocation methodology. Following the known impact of the current budget situation, FDLE will be in a better posture to reevaluate the issue.

Six Month Response: FDLE continues to deal with the difficulties of this economic period. Again, FDLE will be in a better position to evaluate the issue after the funding decisions are made by the Legislature for next fiscal year.

I am available to discuss any questions that you may have regarding the corrective actions.

Sincerely,

Al Dennis
Inspector General

ALD/dkk

cc: Ms. Kathy Dubose, Joint Legislative Auditing Committee