

Terry L. Rhodes
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Pam Bondi
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Commissioner of Agriculture

August 7, 2014

Ms. Terry L. Rhodes
Executive Director
Department of Highway Safety and Motor Vehicles
2900 Apalachee Parkway B443
Tallahassee, Florida 32399-0500

Re: Auditor General Report No. 2014-107
Department of Highway Safety Operational Audit

Dear Ms. Rhodes:

In accordance with Section 20.055(5)(h), Florida Statutes, we are providing an assessment of the implementation or current status of the recommendations in the Auditor General's Report No. 2014-107.

If you need additional information, please contact me at 617-3104.

Sincerely,

A handwritten signature in blue ink that reads "Julie M. Leftheris".

Julie M. Leftheris
Inspector General

cc: Ms. Kathy Dubose, Coordinator, Joint Legislative Auditing Committee

Florida Department of Highway Safety and Motor Vehicles
Office of Inspector General

Source of Audit: Auditor General
Report Number: 2014-107
Report Title: Department of Highway Safety Operational Report

Finding No. 1: Review of Specialty License Plate Audit Reports and Attestations

The Department did not always document that appropriate actions were taken for overdue specialty license plate audit and attestation reports, and did not follow up when certain expenditures from specialty license plate proceeds exceeded the limits established by State Law.

Recommendation: We recommend that Department management take steps to ensure that timely and appropriate actions are taken and documented when organizations that receive specialty license plate proceeds do not timely submit required audit reports or attestations and when certain expenditures from the specialty license plate proceeds exceed the limits established by State Law.

Initial Response: In response to the audit recommendation, the Department's Bureau of Issuance Oversight enhanced internal staff training on statutory requirements for submission of specialty plate annual reports or attestations. Additionally, regular reviews are being conducted to ensure compliance with Section 320.08062(2), Florida Statutes; by Bureau management in an effort to ensure all future contact with specialty organizations are timely and appropriately documented.

In September 2013, the Bureau of Issuance Oversight updated its affidavit review of procedures to include additional steps for verifying the level of statutorily approved administrative and marketing expenditures. A training aid focusing on reporting requirements, definitions, and procedures was created and posted to the Department's public website and presented to participants at the annual Specialty Plate Meeting on September 26, 2013. Additionally, following the meeting, the Bureau sent the new training aid to all specialty plate organizations in the state.

The Bureau of Issuance Oversight is dedicating an additional permanent position in the affidavit review section. As the number of specialty plates continues to increase, augmentation of this critical review area is essential to the Department's success in meeting the statutory requirements.

Six month Response: The Bureau of Issuance Oversight has developed a Compliance Review checklist and has updated the Specialty Tag Affidavit review procedures to include additional steps for verifying the level of statutorily approved administrative and marketing expenditures. The Bureau of Issuance Oversight has also revised its worksheet used for tracking affidavit and single audit submission due dates.

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Additionally, the Bureau of Issuance Oversight also created a training aid focusing on reporting requirements, definitions, and procedures and presented it to participants at the annual Specialty Plate Meeting on September 26, 2013. The training aid was also posted to the Department's public website and was sent to all specialty plate organizations in the state to inform specialty plate organizations about the procedural requirements.

Finally, the Bureau has submitted a request for an additional permanent position in the affidavit review section; however, the request has not been approved at the time.

Status: Closed

Finding No. 2: International Fuel Tax Agreement (IFTA) Licensure Procedures

The Department did not always verify the status of new applicants for IFTA licenses through the IFTA Clearinghouse database prior to issuing IFTA licenses.

Recommendation: We recommend that Department management ensure that all applicants' IFTA licensure status in other jurisdictions is verified through the IFTA Clearinghouse prior to issuance of an IFTA license.

Initial Response: In response to the audit recommendation, the Bureau of Commercial Vehicle and Driver Services is ensuring that all applicants' IFTA licensure status is verified through the IFTA Clearinghouse and documenting in writing that the verification has occurred. Bureau management is conducting regular reviews to ensure that the verifications are being conducted and appropriately documented.

Six month Response: The Bureau of Commercial Vehicle and Driver Services continues to verify the status of all new IFTA applicants via the IFTA Clearinghouse as was indicated in the initial response to the report. This verification is now noted on the application.

Status: Closed

Finding No. 3: Information Technology Access Controls

Improved information technology access controls were needed for the Florida Real Time Vehicle Information System, Cash Receipts System, and the IFTA and IRP Clearinghouses.

Recommendation: We recommend that the Department ensure that appropriate IT access controls are implemented for the FRVIS, Cash Receipts System, and the IFTA and IRP Clearinghouses.

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Initial Response: Information technology and operational staff are refining the business requirements for addressing the confidential recommendations related to IT Access Controls that will further strengthen specific security-related controls in the areas discussed. The Department recognizes integrity, confidentiality, and availability of the Department's data and information technology resources as a key responsibility in maintaining automated systems.

Six month Response: Information technology staff are identifying and updating Oracle user profiles to meet the Department's security requirements. This work will be completed by the end of September 2014. Due to ISA resource constraints, additional improvements to enhance IT Access Controls will be addressed as part of the Motorist Modernization project.

Status: Open

Finding No. 4: Purchasing Card Cancellations

Department controls for ensuring the timely cancellation of purchasing cards upon an employee's separation from Department employment continue to need enhancement.

Recommendation: We again recommend that Department management take appropriate actions to ensure the timely cancellation of P-Cards when cardholders separate from Department employment.

Initial Response: Although charges were not made subsequent to any of the cardholder's separation from the Department for the 86 P-Cards that were audited, we understand the overall goal is to cancel separating or separated employee P-Cards as soon as possible to prevent the possibility of unauthorized purchases. We will continue to enhance our internal processes to ensure that P-Cards cancellations are timely.

Six month Response: The Division of Administrative Services has developed procedures for deactivating P-Cards upon notification from SharePoint. This will help ensure the timely cancellation of P-Cards when cardholders separate from Department employment.

Status: Closed