



**State of Florida
Agency for State Technology**

Rick Scott
Governor

Jason M. Allison
Executive Director

January 28, 2015

David W. Martin
Office of Auditor General, State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Six Month Follow-up to AG Report # 2015-005

Dear Mr. Martin:

Previously the Agency for State Technology (AST), Northwood Location, received your letter dated July 1, 2014, describing the audit finding for Northwood Location and the related recommendations made in regard to AG Report # 2015-005. In a letter dated July 7, 2014, a description of our remediation plans to address the finding was provided to your office.

To remediate the finding, the Northwood Location proposed to expand the current utilization of the State of Florida People First system to include using inherit charge code objects for employees to allocate time spent on work activities. Implementation was scheduled to be completed by October 1, 2014.

As the implementation draws near, the AST has realized the July 7, 2014 remediation plan is counterproductive to directives present in HB 7073, which was signed into law effective July 1, 2014.

2014 Florida Statutes 282.0051 (11)(b),(c) require the AST and the state data center (comprised of the former NSRC and SSRC) to develop and implement cost-recovery mechanisms, implement an annual reconciliation process, and provide rebates to customer entities. Creation of the state data center's cost recovery methodology and processes to meet these directives is currently underway and it's become apparent the best solution for HB 7073 requirements and corrective action for AG Report # 2015-005 is to utilize existing tools at the SSRC. The expected compliance date is now July 1, 2015.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. M. Allison', is written over a horizontal line.

Jason M. Allison,
Executive Director, Agency for State Technology




**State of Florida
Agency for State Technology**

Rick Scott
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Jason M. Allison
Executive Director

Memorandum

DATE: January 26, 2015
TO: David W. Martin, Auditor General
FROM: Jason M. Allison, Executive Director, AST 
SUBJECT: **Six-Month Follow-up to Auditor General Report No. 2015-005
Audit of Cost Allocation Processes at Primary Data Centers –
Operational Audit**

On July 31, 2014 the Auditor General released report No. 2015-005 *Audit of Cost Allocation Processes at Primary Data Centers – Operational Audit*. In accordance with Section 20.055(5)(h), Florida Statutes, the following is a status update for the six-month findings and recommendations included in the Auditor General's Report. Our update addresses the findings and recommendations in the same order as they appear in the report.

Six-Month Status Report

**Southwood Shared Resource Center's Response
To the Auditor Generals' Information Technology Operational Audit of
Cost Allocation Processes at Primary Data Centers**

Finding No. 1 – Reconciliation of Total Actual Costs to Amounts Billed

The NSRC and SSRC personnel costs used in the calculation of customer account adjustments based on total actual costs were not always based on actual activity.

Recommendation:

We again recommend that allocations of salaries and benefits used in the calculations of total actual costs be supported by personnel activity reports or equivalent documentation that reflect actual data center employee activity.

Mr. Jason M. Allison
January 15, 2015
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Original Response:

The SSRC concurs with this recommendation. In January 2014, SSRC employees began using charge codes in the State's payroll system (PeopleFirst) to capture work activity. This will allow the SSRC to support the employee account activity for the purposes of allocating salary and benefits costs equitably during the true-up process.

Current Status of Recommendation

SSRC employees continue to use the charge codes in PeopleFirst to capture work activity. We consider the finding closed.

TP/gz

cc: Kathy Dubose, Staff Director
Joint Legislative Auditing Committee

Melinda Miguel, Chief Inspector General