

Terry L. Rhodes
Executive Director

2900 Apalachee Parkway
Tallahassee, Florida 32399-0500
www.flhsmv.gov



Rick Scott
Governor

Pam Bondi
Attorney General

Jeff Atwater
Chief Financial Officer

Adam Putnam
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. 2014-173
Audit of the Basic Financial Statements of the State of Florida

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. 2014-173.

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

Sincerely,


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: 2014-173
Report Title: Audit of Basic Financial Statements of the State of Florida

Finding No. 2013-007: Accounts payable and accrued liabilities, Due to other funds, Due from other funds, Licenses and permits, Fees and charges, Investment earnings, Fines, forfeits, settlements and judgments

The Department inadvertently coded transactions totaling \$22,414,541 as Accounts payable and accrued liabilities rather than Due to other funds during the fiscal year-end financial reporting process.

Recommendation:

We recommend that the FDHSMV enhance fiscal year-end financial reporting procedures to ensure the proper coding of year-end manual entries, as well as apply more diligence during supervisory review of those entries.

Agency Response:

The Department concurs with the audit finding. The procedures for the fiscal year-end closings will be modified to include additional time for a more in-depth analytical supervisory review to prevent this from occurring in the future.

Six month Response:

The Bureau of Accounting has modified Procedure BA-8, Fiscal Year End Close-out Procedure, to require that all entries are entered into FLAIR at least four days prior to closing to allow for three additional supervisory review days. While the procedure has been modified, it remains in draft form and is awaiting final approval. The Bureau of Accounting also maintains a timeline of actions to be completed during the year end close-out process, and added an item in this task list for all adjusting and closing entries to be entered into FLAIR by a specified day to ensure additional time for supervisory review.

Status: Closed