



FLORIDA DEPARTMENT of

management SERVICES

We serve those who serve Florida

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Rick Scott, Governor

Chad Poppell, Secretary

September 16, 2016

Chad Poppell, Secretary
Florida Department of Management Services
4050 Esplanade Way, Suite 285B
Tallahassee, FL 32399

Dear Secretary Poppell:

In accordance with section 20.055, Florida Statutes, the attached documents represent our explanation of the six-month status of the findings and recommendations included in the AG Report 2016-159, **State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards**, dated March 29, 2016.

The findings and recommendations appear in the same order as they appeared in the report.

If further information is needed concerning our response, please do not hesitate to contact me.

Sincerely,

Yolanda Lockett,
Interim Inspector General and Audit Director

YL/sk-a

Enclosure

cc: Joint Legislative Auditing Committee
Sherrill F. Norman, Auditor General
Melinda Miguel, Chief Inspector General
Erin Rock, Chief of Staff
Debra Forbess, Director of Finance and Administration
Kelly McMullen, Chief of Financial Management Services

Audit Status Report Update Form

Status Date	Report No.	Report Title	
8/30/2016	2016-159	State of Florida - Statewide Financial Statements Audit Findings	
Contact Person	Program/Process	Phone No.	
Kell McMullen	Bureau of Financial Management Services	487-0950	
Activity	Accountability	Schedule	
Internal Control	Responsible Unit	Repeat Finding	Anticipated Completion Date
	Bureau of Financial Management Services	Yes	Completed 1/7/16
Finding			
No.	2015-001	Net Position: Net investment in capital assets, Restricted-other	
Date	3/29/2016		
Finding			
The FDMS did not properly classify its Communications and Facilities internal service fund's net position in accordance with generally accepted accounting principles.			
Recommendation			
We recommend that the FDMS enhance fiscal year-end reporting procedures to ensure the appropriate calculation and reporting of Net investment in capital assets and the Restricted component of net position for the applicable internal service funds.			
Response/Action Plan			
To prevent future misinterpretations of new GASB guidance, the Bureau of Financial Management Services has updated the year-end checklist to include detailed instructions for the calculation and reporting of Net Investment in Capital Assets and the Restricted component of net position in the Communications and Facilities internal service funds.			
Status Update-6mo			
<input type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially Complete <input type="checkbox"/> Complete pending verification by OIG <input checked="" type="checkbox"/> Complete			
Status Update-12mo			
<input type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially Complete <input type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete			
Status Update-18mo			
<input type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially Complete <input type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete			

Audit Status Report Update Form

Status Date	Report No.	Report Title	
8/30/2016	2016-159	State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards FYE 2015	
Contact Person	Program/Process	Phone No.	
Kelly McMullen	Bureau of Financial Management Services	487-0950	
Activity	Accountability	Schedule	
Allowable Costs/Cost Principles	Responsible Unit	Repeat Finding	Anticipated Completion Date
	Bureau of Financial Management Services	Yes	N/A
Finding			
No.	2015-017	Statewide Cost Allocation Plan (SWCAP)	
Date	3/29/2016		
Finding	Reconciliation for 2016 SWCAP disclosed one fund with an excess balance.		
Recommendation	We recommend that the FDSM take actions, as appropriate, to prevent excess fund balances.		
Response/Action Plan	The Department of Management Services made a recent payment to the Federal Government (HHS) for the federal share of the excess balance as of June 30, 2014, for the Operating "Purchasing" Trust Fund, including interest, which was determined to be \$1,656,140. In addition, the Governor is recommending the continuation of the decreased fee from a 1% fee to .70% to prevent future excessive balances in the Purchasing Trust Fund. We will continue to monitor the trust fund balance and provide information to the Governor and Legislature on funding model adjustments to avoid excess balances going forward.		
Status Update-6mo	<input type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input checked="" type="checkbox"/> Partially Complete <input type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete		
Effective November 1, 2015, the fee was decreased from 1% to .70% to prevent future excessive balance in Purchasing Trust Fund and there will be a \$4 million dollar sweep from the trust fund in fiscal year 2016-2017.			
Status Update-12mo	<input type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially Complete <input type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete		
Status Update-18mo	<input type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially Complete <input type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete		