

**COUNTY OF VOLUSIA
MANAGEMENT RESPONSES TO
THE AUDITORS REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING**

2008-1 Revenues Billed in Accordance with Contract Terms

Accounts Receivable (AR) has been providing information back to the County departments that utilize AR to process their billings to outside entities by providing a monthly "Summary Aging Report by Customer." This report details the current amount billed per customer as well as the outstanding amounts. In addition, most of the outside entity billings are posted to a specific revenue account for that function which is available for review by the departments via the County's on-line financial system.

In addition to these efforts that have been in place, AR will now perform a quarterly review of all contracts that have been sent as back up attached to a Billing Advise to ensure that the dollar values have been entered correctly.

As a secondary review, staff accountants will now be provided with a copy of the monthly summary aging report for the billings that are posted to the funds they are responsible for monitoring. This information will provide the accountants with the same meaningful information that the departments receive so anticipated revenue can be monitored throughout the fiscal year.

2008-2 Schedule of Federal Awards and State Financial Assistance

The Office of Management & Budget concurs with the recommendation to establish a system of quality control over grant reporting to ensure all grant activity is tracked and recorded properly in the general ledger. During the course of the audit, the Office of Management & Budget recognized the need for a central location of grant documents such as applications, granting agency status reports, and receipt of granting agency checks. A grants manual is under development that will identify a step by step process for tracking of grants. Upon completion of the manual, training will be given to operating departments to ensure compliance. On-going training will be developed as specific items are identified for improvement. The budgeting of the grants has been distributed to each budget analyst who monitors the day to day operation of their assigned departments. This will connect the local requirements to the department within the budget. Reconciliation by fund of prior year entries to the general ledger to grant folders shall continue. Staff has been instructed to monitor all Council agendas to track all grant applications and acceptance of award requests especially in the non-grant funds.

2008-3 Prior Period Adjustment for Items Erroneously Capitalized to Infrastructure

Recording infrastructure has been a process of evaluating the types of transportation activity within the Transportation Trust and other related funds. Roads expanded, extended, or in other ways improved to safely handle greater amounts of traffic would become additions to the County's infrastructure. Maintenance would not. Initial reviews of the road resurfacing program indicated it possessed elements of the former type of activity. A more recent evaluation of the program revealed it to be maintenance activity. We will continue to monitor the accounting treatment of these and other assets and make adjustments, accordingly.