



Clerk of the Circuit Court
Board of County Commissioners
Marion County

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Internal Audit Division

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December 5, 2007

The Honorable Charlie Stone, Chairman of the Board of County Commissioners

RE: ANNUAL REVIEW OF AGENCIES RECEIVING CHOOSE LIFE LICENSE PLATE FEES

The Internal Audit Division has performed a review of expenditures by the agencies which received funds from Marion County during FY2007 resulting from fee revenues of the Choose Life specialty license plate. The relevant Florida Statutes (FS) governing Choose Life funds are Chapter 320.08056 and 320.08058.

There was a change in the Motor Vehicle Specialty License Plates in 2007 which affected the location of Choose Life License Plates in the Florida Statutes. Our research revealed there was a deletion of a license plate which changed the location of Choose Life License Plates from 320.08058(30) F.S. to 320.08058(29) F.S.

In 2006, we received written guidance from the Inspector General of the Department of Highway Safety and Motor Vehicles (DHSMV) that "each county must implement an attestation form, and establish the extent of recipient agency monitoring and attestation verification work necessary to provide the County Commissioners with assurances that reported financial data is appropriate and accurately reported." We have conducted our review in accordance with this guidance.

This was the sixth reporting year that proceeds from the specialty license plates were distributed by the County. In November 2006, funds were distributed to Interfaith Emergency Services (IES), who was the authorized supervising agency at the time. As agreed upon by the Choose Life Board members, the Board of Commissioners formally transferred the responsibility and duties with regards to Choose Life funds to the Women's Pregnancy Center (WPC) in June 2007. The required annual attestation has been prepared and submitted by WPC. We found the report of expenditures to be accurate in all material respects.

As disclosed in Attachment I, the County distributed \$33,463.52 during FY 2007. At September 30, 2007, the total related expenditures were \$22,876.23. Florida Statute 320.08058 (29)(3) requires that "any unused funds that exceed 10 percent of the funds received by an agency during its fiscal year must be returned to the county, which shall distribute them to other qualified agencies." As the attestation submitted by the Agency indicates, 68% of the funds received in FY 2007 were utilized.

ANNUAL REVIEW - CHOOSE LIFE LICENSE PLATE FEES

In accordance with the Florida Statute, the Agencies must return \$7,240.33 of unused funds to the County for FY 2007.

Marion County is required to submit to the DHSMV a form certifying that all the recipient agencies and Marion County have complied with Florida Statutes. The Internal Auditor has determined that the County is in compliance. We, therefore, submit for your review and approval the required “*Annual Choose Life Specialty Plate Report to DHSMV by Marion County*” form (Attachment I), which must have the signature of the Chairman.

This review was conducted by Wallace Watford, Internal Auditor, and Darla Smith, Auditor. We wish to express our appreciation to the representatives of the recipient agencies for their cooperation during our review.

David R. Ellspermann
Clerk of the Circuit Court

Wallace K. Watford
Internal Auditor

Attachments

c: Patrick G. Howard, County Administrator
John W. Garri, Finance Director
Debbie Ferguson, Executive Director, Women’s Pregnancy Center
Gary Linn, Executive Director, Interfaith Emergency Services

ANNUAL REVIEW - CHOOSE LIFE LICENSE PLATE FEES

FINDINGS AND RECOMMENDATIONS - FY 2007

The authorized agencies (Agencies) utilizing Choose Life license plate fee funds during FY 2007 were: Women's Pregnancy Center (current lead agency), Interfaith Emergency Services (previous lead agency), Alpha Center for Women, St. Maria Goretti Maternity Home, and Hands of Mercy Everywhere (HOME). These agencies are organized into a Choose Life Resources Committee. St. Maria Goretti Maternity Home and HOME did not use any Choose Life Funds during FY 2007. We found that good faith efforts were made by each of the active agencies to use the funds in an appropriate and best use manner. We believe that adequate internal controls are in place.

Internal Audit had contact with Women's Pregnancy Center (WPC) and Interfaith Emergency Services (IES) at various times during the year. We were consulted for our opinion, as auditors, when the Agencies were uncertain of whether a particular use of Choose Life funds complied with the Florida Statute or was a best usage of the funds.

Our activities included reviewing Policies and Procedures and internal controls over distributions of Choose Life Funds, including purchases and usage of gift cards, to various approved Agencies. We also performed a detailed examination of expenditures, as well as calculated interest earned on funds held by the County.

Utilization of Funds

As disclosed in Attachment I, the Agencies requested and received \$33,463.52 during FY 2007, which was distributed to IES on November 30, 2006. Choose Life funds expended in FY 2007 were \$22,876.83, which represented 68% of the funds distributed in FY 2007. Florida Statute 320.08058 (29)(3) specifies that "Any unused funds that exceed 10 percent of the funds received by an agency during its fiscal year must be returned to the county. .." The Agencies therefore are required to return \$7,240.00 of unused FY 2007 funds to the County.

Total expenditures this year were less than that of the preceding two years, as well as the previously stated goal to expend at least \$2,000.00 a month for allowable purposes. The lead agency indicated that the Agencies will be increasing their efforts to seek and assist qualified clients eligible to utilize Choose Life funds.

Florida Statute 320.08058 (29)(1) requires that at least 70% of Choose Life funds are to be used to provide for the primary material needs of pregnant women, as well as children awaiting adoption, such as clothing, housing, medical care, food, utilities, transportation and other material needs. The remaining funds (not to exceed 30% of the total funds) can be used for the secondary adoption related expenditures of counseling, training, and advertising. During FY 2007, the Agencies met this requirement by spending 83% of the total expenditures for material needs and 17% for secondary purposes.

ANNUAL REVIEW - CHOOSE LIFE LICENSE PLATE FEES

In our detailed review of Choose Life expenditures, we noticed that \$9,464.55 or 41% of total expenditures occurred on 9/30/2007. The receipts indicated that some of the expenses involved occurred at the beginning of FY2007. We had expressed concern in the past whether the expenditure requests could be adequately examined in such a short period of time. We discussed our concern with the Agencies and encouraged that more lead time be allowed for more thorough examination of the requests.

Marion County is presently holding funds available for Choose Life purposes (see Summary below). These funds include FY2007 and FY2008 funds from the State and accumulated interest earned by County. The Agencies may choose to request a portion or all of the available funds.

Summary of funds available for distribution at 9/30/2007:

Funds from State to County (State FY 2006-07)	\$33,518.72
Funds from State to County (State FY 2007-08)	31,326.00
Interest Earned by County (10/1/01 to 9/30/07)	<u>4,246.69</u>
Total Available Funds	<u><u>\$69,091.41</u></u>

Policies and Procedures

The Agencies adopted during September 2006 revised formal Policies and Procedures (P&P) to govern the use of Choose Life funds. These revised P&P clarified many aspects of the usage of Choose Life funds, including priority given to clients with a Marion County connection. We noted that there have been certain changes in procedures during the current year and **we recommend** that the P&P be further revised.

The P&P states that available funds remaining during the last quarter of the fiscal year can be used for clients living in other Florida counties. The Board of County Commissioners (BCC) has fiduciary responsibility for the funds and desires that the Choose Life funds be used only for clients with a Marion County connection. The P&P should be revised to eliminate Choose Life funds being available for clients with little or no relationship to Marion County.

Gift Cards

We reviewed internal controls over purchases, distributions and usages of gift cards. In FY2002, we devised an attestation form to be signed by the Agencies which states that all cards were used in compliance with the applicable Statute. This form is utilized every time gift cards are distributed to the Agencies. We noted that some of the language no longer applies and have suggested revisions to this form.

ANNUAL REVIEW - CHOOSE LIFE LICENSE PLATE FEES

Gift card purchases in FY2007 were \$2,700.00 in WalMart gift cards and \$1,700.00 in CITGO cards. Clients receiving these gift cards agree to provide store receipts to prove use was for appropriate purposes. Our review of the Gift Cards given to clients in FY2007 found that receipts were not provided for 37% of both the WalMart and CITGO cards distributed. **We recommend** that the Agencies better enforce their current policies in order to maintain adequate internal control over gift cards. We also suggest revisions to the form signed by a client receiving a gift card to further emphasize client responsibility.

Other Significant Events

During FY2007, the Choose Life Resources Committee established criteria for a framework to determine and clarify what constitutes an agency within Marion County eligible to receive Choose Life funds to ensure compliance with Florida Statute. The Committee felt this policy would further reinforce distribution of Choose Life funds to clients with a Marion County connection. The established eligibility criteria became an issue for Little Angels Choose Life, Inc. whose principle location is outside of Marion County. The Agencies are currently seeking to resolve the issue and have requested assistance from the Clerk of Circuit Court. This assistance is presently in process and should soon be resolved.

There was a minor change in 2007 to the relevant Florida Statute 320.08058. A previously listed specialty license plate was deleted, which affected the numbering of the Choose Life License Plate in the Statute; it is now 320.08058(29).

At the inception of the Choose Life program, Marion County BCC designated a Lead Agency to be responsible for requesting and accounting for the funds, handling funding requests from the other Agencies and ensuring the expenditures meet statutory requirements. The Lead Agency also has a fiduciary responsibility for any misspent amounts. IES had been the lead agency since the beginning. WPC (Debbie Ferguson, Executive Director) took over this responsibility in January 2007. The transfer of responsibilities from IES to WPC was formally approved by the BCC on June 5, 2007. The bank account for Choose Life funds is established in the name Education for Life, Inc., which is the legal entity under which WPC does business. We commend WPC and IES for their performance of this responsible role during FY 2007.

ATTACHMENT I
**ANNUAL CHOOSE LIFE SPECIALTY PLATE REPORT
 TO DHSMV BY MARION COUNTY**

County: MARION
 Fiscal Year Ending: SEPTEMBER 30, 2007

Prior Year Ending Balance	\$ 69,255
Annual Plate Fees Received From State	\$ 31,326
Interest Earned on Fees (FY2007)	\$ 1,974
Total Available for Distribution by the County	\$ 102,555

Annual Plate Fees Distributed to Agencies	\$ 33,464
Interest Earned By Agency on Fees	\$ -
Other Income	\$ -
Total Available for Agency Expenditures	\$ 33,464

Annual Plate Fee Expenditures By Agencies:

Primary:	Women	Infants	Total
Clothing	\$ -		\$ -
Housing	\$ 6,348	\$ -	\$ 6,348
Medical Care	\$ 4,504	\$ 299	\$ 4,803
Food	\$ 3,302	\$ -	\$ 3,302
Utilities	\$ 2,380	\$ -	\$ 2,380
Transportation	\$ 2,156		\$ 2,156
Other Material Needs	\$ 96		\$ 96
Total Primary Expenditures			\$ 19,085

Secondary:	Women	Infants	Total
Counseling			\$ -
Training	\$ 3,792		\$ 3,792
Advertising	\$ -		\$ -
Adoption			\$ -
Total Secondary Expenditures			\$ 3,792

Total Primary and Secondary Expenditures \$ 22,877

Primary expenses as a % of total expenditures 83%

Secondary expenses as a % of total expenditures 17%

Percentage of distributed fees utilized 68%

Amount Returned by Agency (if any) to County \$ 7,240

Amount Retained by Agency (if any) \$ 3,347

County Fiscal Year Ending Balance \$ 69,091

We certify that all recipient agencies and the County have complied with Florida Statutes, 320.08056 and 320.08058(29).

 Chair, Marion County Board of County Commissioners _____
 Date

**ANNUAL CHOOSE LIFE SPECIALTY PLATE REPORT
TO MARION COUNTY**

RECIPIENT AGENCY ANNUAL REPORTING FORM

RECIPIENT AGENCY NAME: Education for Life, Inc. d/b/a Women's Pregnancy Center

REPORTING PERIOD: October 1, 2006 through September 30, 2007

Annual Use Fee Proceeds

	Total
Fees Received	\$ 33,463.52
Interest Earned on Fees	\$ -
Other Revenues	\$ -
Total Funds Received	\$ 33,463.52

Related Expenditures

A. At least 70% to be used for following material needs:	<u>Total</u>	<u>Women</u>	<u>Infants</u>
Clothing	\$ -		
Housing	6,347.94	\$ 6,347.94	
Medical Care	4,803.13	\$ 4,504.13	\$ 299.00
Food	3,301.83	\$ 3,301.83	
Utilities	2,379.58	\$ 2,379.58	
Transportation	2,155.85	\$ 2,155.85	
Other Material Needs	96.27	\$ 96.27	
Total Primary Expenditures	\$ 19,084.60		

**B. Remaining funds may be used
for adoption related expenses:**

Counseling	\$ -
Training	\$ 3,792.23
Advertising	
Adoption	
Total Secondary Expenditures	\$ 3,792.23

Total Primary and Secondary Expenditures **\$ 22,876.83**

Primary expenses as a % of total expenditures 83%

Secondary expenses as a % of total expenditures 17%

Percentage of distributed funds utilized 68%

We attest that we have complied with Florida Statutes, 320.08056 and 320.08058(29)

SUBMITTED BY (Agency): Women's Pregnancy Center

SIGNED BY: *Robbie Ferguson*, Executive Director

DATE: November 21, 2007