



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

September 29, 2015

The Honorable Jeff Atwater
Chief Financial Officer
The Capitol, PL-11
Tallahassee, Florida 32399-0301

Dear Mr. Atwater:

As required by Section 20.055, Florida Statutes, I am providing the Department's six-month status report of corrective actions taken in response to Auditor General Report Number 2015-166, *State of Florida – Compliance and Internal Controls Over Financial Reporting and Federal Awards* (published March 30, 2015).

If you have any questions, please do not hesitate to contact me.

Sincerely,


Teresa Michael
Inspector General

TM:rlg

Attached

cc: Kathy DuBose, Coordinator, Joint Legislative Auditing Committee
Robert Kneip, Chief of Staff
Paul Whitfield, Deputy Chief Financial Officer
Jay Etheridge, Deputy Chief Financial Officer

**Department of Financial Services
Office of Inspector General**

**SIX MONTH FOLLOW-UP REPORT
STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report No.	Report Title	Date Published
Auditor General	2015-166	State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards	March 30, 2015
Finding 2014-046	The FDFS paid amounts to a subgrantee in excess of the documented costs. The FDFS also made payments to another subgrantee for expenditures incurred prior to the execution of the contract.		
Recommendation	We recommend that the FDFS ensure subgrantee requests for reimbursement are made in accordance with OMB Circular A-87. We also recommend that the FDFS only reimburse expenditures incurred during the applicable contract period.		
Original Response	Concur. The two exceptions were rare oversights that occurred during the processing of numerous voluminous reimbursement packages. The FDFS requested refunds from the subrecipients and received a refund of \$251.35 from one subrecipient. The second refund of \$493.85 has been issued by the subrecipient and is in transit to FDFS. The FDFS will reimburse DEM for the questioned costs.		
Six-month Follow-up:	September 14, 2015		
Responsible Division	Division of State Fire Marshal		
Reported Status	The FDFS reimbursed DEM for the questioned amounts. Refund documentation was provided to the FDFS Office of Inspector General (OIG) and the Florida Auditor General's Office.		
OIG Assessment	CLOSED: Based on the information provided to the OIG, it appears that sufficient action was taken to address this finding.		

**Department of Financial Services
Office of Inspector General**

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STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report No.	Report Title	Date Published
Auditor General	2015-166	State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards	March 30, 2015
Finding 2014-004	The FDFS did not consider information in the June 30, 2014, Special Disability Trust Fund (Fund) Actuarial Report when recording adjusting entries to the Florida Accounting Information Resource Subsystem (FLAIR).		
Recommendation	We recommend that the FDFS, Bureau of Financial Accountability, comply with its recently established procedures and provide the actuarial report, when received, to the FDFS, Bureau of Financial Services, for use when preparing and recording liability entries in FLAIR.		
Original Response	We concur. While the final actuarial report was not provided to the Bureau of Financial Services, it was provided to the parties specified in Section 440.49, Florida Statutes, on September 18, 2014. The Bureau of Financial Accountability has established procedures to provide the final actuarial report to the Bureau of Financial Services in a timely manner to ensure that liabilities are properly reported for the Special Disability Trust Fund.		
Six-month Follow-up:	September 14, 2015		
Responsible Division	Division of Workers' Compensation		
Reported Status	<p>The Division of Workers' Compensation (DWC) instituted a new policy on December 18, 2014, to make certain that all relevant parties are notified when the SDTF actuarial report is final and the latest SDTF liabilities have been determined.</p> <p>Currently, DWC has received from AMI Risk Consultants, Inc. a <i>draft</i> report of the SDTF Liabilities (as of June 30, 2015). We anticipate receiving the <i>final</i> report by October 1, 2015. Once we have received the final report, a copy of the report and its related liabilities will be shared with all identified parties in the written policy. The notification process will include the Bureau Financial Services who will make the appropriate adjustments in FLAIR.</p>		
OIG Assessment	CLOSED. Based on the information provided to the OIG, it appears that sufficient action was taken to address this finding.		