STATE OF FLORIDA  
DEPARTMENT OF CORRECTIONS  
OFFICE OF THE INSPECTOR GENERAL

TO: Kenneth S. Tucker  
Secretary

FROM: Terrance W. Edmonson  
Inspector General

DATE: September 29, 2011

SUBJECT: FOLLOW-UP AUDIT REPORT # A12010F – THE AUDITOR GENERAL’S,  
STATE OF FLORIDA - COMPLIANCE AND INTERNAL CONTROLS OVER  
FINANCIAL REPORTING AND FEDERAL AWARDS, REPORT NUMBER  
2011-167

The Bureau of Internal Audit performed a follow-up audit to the Office of the Auditor  
General’s State of Florida - Compliance and Internal Controls Over Financial Reporting and  
Federal Awards, Report Number 2011-167, issued in March 2011. The objectives of this  
follow-up were to determine the corrective actions taken on reported audit findings and  
whether actions taken achieved the desired results as intended by management. The scope of  
our follow-up consisted of obtaining from the Bureau of Finance and Accounting a written  
response of action taken to correct the reported finding. We have evaluated the response to  
the finding and have assessed that appropriate action has been taken to address the issue  
identified in the report.

[Signature]
Inspector General

TE/PS/kj  
Attachment

Daniel G. Ronay, Chief Deputy Secretary  
Mark Tallent, Chief Financial Officer  
Mike Deariso, Chief of Finance and Accounting  
Joint Legislative Auditing Committee
BACKGROUND

As a condition of receiving Federal funds, the U.S. Office of Management and Budget (OMB) requires, as described in OMB Circular A-133, an audit of the State’s financial statements and major Federal awards programs. Pursuant to Section 11.45, Florida Statutes, the Office of the Auditor General conducted an audit of the basic financial statements of the State of Florida as of and for the fiscal year ended June 30, 2010. The Office of the Auditor General also subjected supplementary information contained in the State’s Comprehensive Annual Financial Report and the State’s Schedule of Expenditures of Federal Awards to auditing procedures applied in its audit of the basic financial statements. Additionally, the Office of the Auditor General audited the State’s compliance with governing requirements for the Federal awards programs or program clusters that it identified as major programs for the fiscal year ended June 30, 2010.

The State of Florida’s basic financial statements, as of and for the fiscal year ended June 30, 2010, were fairly presented in all material respects, in accordance with accounting principles generally accepted in the United States.


OBJECTIVES

Our follow-up objectives were to determine:

- what corrective actions were taken on reported audit findings, and
- whether actions taken achieved the desired results as intended by management.

SCOPE AND METHODOLOGY

A request was made to the Bureau of Finance and Accounting for a written response on the status of corrective actions taken.

RESULTS OF FOLLOW-UP

Finding: Amounts related to the issuance of FDMS, Florida Correctional Finance Corporation, Certificates of Participation, Series 2009B and 2009C (COPs), were incorrectly recorded.
**Recommendation:** We recommend that in future debt issuances of this nature, FDMS and FDOC record the appropriate accounting entries in accordance with the applicable bond documents.

**Management’s Original Response:** We concur with the finding, the appropriate accounting entries have been processed.

**Management’s Follow-Up Response:** As provided in the Department’s original response the appropriate accounting entries have been processed.