




Executive
Director
Marshall Stranburg

September 10, 2014

MEMORANDUM

TO: Marshall Stranburg, Executive Director

FROM: Sharon Doredant, Inspector General Office 
of Inspector General

SUBJECT: Six-Month Update on Auditor General Report No. 2014-173, Compliance and Internal Controls over Financial Reporting and Federal Awards

As required by *section 20.55(5)(h), Florida Statutes*, attached is the Department's six-month status update for corrective actions taken in response to the Auditor General Report No. 2014-173, Compliance and Internal Controls over Financial Reporting and Federal Awards.

If you have any questions, please contact me at 617-8152, or Marie Walker at 717-7598.

SD/mcw

Attachment

cc: Andrea Moreland, Deputy Executive Director
Vince Aldridge, Chief of Staff
Marie Walker, Director of Auditing
Kathy DuBose, Coordinator, JLAC

Status Date	Report No.	Report Title		
9/30/14	2014-173	COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS		
Contact Person	Program	Process	Phone No.	
Frances Oven	GTA	Unemployment Insurance	717-7177	
Activity	Accountability		Schedule	
Contracted Services	Responsible Unit	Coordinating Unit	Repeat Finding	Anticipated Completion Date
	Contract Monitoring	GTA Unemployment Insurance		6/30/14
Finding		<p>The FDOR did not adequately monitor the service provider's internal controls related to the collection of data for unemployment taxes.</p> <p>We recommend that the FDOR, either through procedures outlined in SSAE 16 or its own monitoring process, ensure service provider internal controls related to the collection of data for unemployment taxes are suitably designed and operating effectively.</p> <p>FDOR's Invitation to Negotiate released in early 2013 included a requirement for the new service provider to obtain an SSAE 16 report. A contract was awarded and signed in late 2013 with an effective date of 1/1/2014. The service provider is currently under engagement with a service auditor to complete the SSAE 16, type II audit. The expected completion date is the end of April. FDOR will review the report and take any appropriate action.</p>		
No.	2013-015			
Date	6/30/14			
Recommendation				
Original Response				
Status Updates		As of June 30, 2014		
<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		<p>The service provider completed the contract requirement of obtaining an SSAE 16 audit report. The completed report was received and reviewed in May 2014. The report did not yield any deficiencies warranting corrective action by the service provider</p>		

Status Date	Report No.	Report Title		
9/30/14	2014-173	COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS		
Contact Person	Program	Process	Phone No.	
Kim Staubinger	GTA	Refunds and Distribution Process		
Activity	Accountability		Schedule	
Revenue Accounting	Responsible Unit	Coordinating Unit	Repeat Finding	Anticipated Completion Date
	Refunds and Distribution Process	General Tax Administration		2/1/14
Finding		<p>The FDOR General Tax Administration, Refunds and Distribution Process (Revenue Accounting) did not record the Medicaid claims amounts due from the counties as certified by the Florida Agency for Health Care Administration (FAHCA).</p> <p>To ensure accurate financial reporting, we recommend that the FDOR Revenue Accounting appropriately update the checklist for all year-end activities, including any new statutory requirements, and that a more thorough supervisory review be established.</p> <p>We concur with the finding and have updated Revenue Accounting's checklist for the year-end activities which includes the review of any legislative changes that might affect year-end financial statement accrual adjustments. In addition, the Financial Systems and Analysis section has added as part of the annual financial statement checklist a review of any new revenues or distributions to ensure that any necessary associated accruals have been recorded. This secondary review will provide additional assurance that all appropriate amounts are properly included in the FDOR's year-end financial reports.</p> <p>Update as of June 30, 2014</p> <p>As noted in the original response, we have taken steps to ensure all appropriate amounts are properly included in year-end financial reports. The year-end reviews have been implemented and are functioning as intended.</p>		
No.	2013-006			
Date	2/7/14			
Recommendation				
Original Response				
Status Updates				
<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 Date	Report No.	Report Title		
9/30/14	2014-173	COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS		
Contact Person	Program	Process	Phone No.	
Patterson Poulson	CSE	Temporary Assistance for Needy Families	617-8216	
Activity	Accountability		Schedule	
TANF	Responsible Unit	Coordinating Unit	Repeat Finding	Anticipated Completion Date
	Resource Management	CSE	FA 12-043	4/1/14
Finding		<p>The FDCF failed to impose FDOR Child Support Enforcement (CSE) sanctions on uncooperative TANF recipients.</p>		
No.	2013-042			
Date	6/30/14			
Recommendation	<p>We recommend that the FDCF and the FDOR collaborate to ensure that all sanction requests are properly transmitted and received.</p>			
Original Response	<p>In May 2013, the FDOR implemented automated system changes to improve the process to report noncooperation. The FDOR is continuing to clean up records created prior to May 2013. We anticipate completing data cleanup by April 2014.</p>			
Status Updates	<p>Update as of June 30, 2014</p> <p><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</p> <p>FDOR completed the cleanup of reporting noncooperation in April 2014, and we continue to work with our counterparts at FDCF as they are working to implement three major system modifications in the next 6 months.</p> <p>DOR has completed the systems work to produce the file of cases referred to DCF for sanctions to support the Office of the Auditor General's annual audit. The file includes the public assistance benefits being received at the time of the referral for sanction, to identify the cases where temporary cash assistance is being received by the parent.</p>			