



STATE OF FLORIDA

DIVISION OF EMERGENCY MANAGEMENT

RICK SCOTT
Governor

BRYAN W. KOON
Director

October 27, 2014

Bryan Koon
Director
Division of Emergency Management
2555 Shumard Oak Boulevard
Tallahassee, Florida 32399-2100

Re: **Auditor General Report No. 2014-173**
State of Florida – Compliance and Internal
Controls Over Financial Reporting and
Federal Awards
FY2012-2013

Dear Director Koon:

As required by Section 20.055(5)(h), Florida Statutes, attached is the six month status report for the subject audit. The report details the implementation or current status of each recommendation.

If you have any questions, please call me at 922-1611.

Sincerely,

Ronnie Atkins,
Deputy Inspector General

RA: mc

Enclosure

Cc: Michael DeLorenzo, Deputy Director
Kathy Dubose, Staff Director
Joint Legislative Auditing Committee
JLAC@leg.state.fl.us

- Although less than the \$25,000 threshold for reporting, the FDEM reported in the FSRS a subaward in the amount of \$24,762.
- The FDEM transferred HSGP funds to the Florida Department of Law Enforcement (FDLE), from which the FDLE made 1 subaward in the amount of \$90,000. However, the FDEM did not properly report in the FSRS key data elements, including the subaward obligation/action date and subaward number.
- The FDEM incorrectly reported a total of \$8,454,644 in HSGP funds transferred to 7 State agencies as subawards in the FSRS.
- The FDEM reported 27 HSGP subawards in the FSRS from 32 to 154 days late. Two other subawards were reported 41 and 63 days prior to the subaward obligation date and, as a result, the FDEM reported budgeted amounts rather than the final subaward amounts.

Recommendation: We recommend that the FDEM ensure that all key data elements are properly and timely reported in the FSRS for subawards made from applicable grants.

Audit Response:

We concur with the finding. The Division has begun corrective actions to report applicable Disaster Grants – Public Assistance and Homeland Security Grant Program subaward data in the Federal Funding Accountability and transparency Act (FFATA) Subaward Reporting System. A process to gather and report all Public Assistance and Homeland Security Grant Program subaward data is being developed to include a Division policy for FSRS reporting and modifying contracts and agreements to require grantees to provide the Division necessary information for FFATA subaward reporting.

6-month Follow-up Response:

Finding

The FDEM did not report in the FSRS 105 subawards totaling \$57,929,789.36 made directly to other entities for the Public Assistance Program and 42 subawards totaling \$19,078,126 made directly to other entities for the HSGP.

FDEM Response

FDEM has developed a spreadsheet for each program area to enter applicable information for each sub-award. Public assistance agreements are non-financial until the project worksheets are written and approved by FEMA. Therefore, the FDEM had to develop an additional process for this program to obtain the required information needed for input into FFATA. The sub-awards totaling \$57,929,789.36 have been identified, DUNS numbers are being collected, and the sub-award obligated amounts are currently in the process of being entered.

Completion Date: Anticipated completion date November 30, 2014

FDEM Response

For the 42 subawards totaling \$19,078,126 made directly to other entities for the HSGP, 35 sub-awards have been reported in FRSR from the July 1, 2012 – June 30, 2013 time frame. The remaining 7 sub-awards have yet to be reported in FRSR due to the Federal Award Identification Number not appearing in the FRSR work list. We have taken action and contacted our Grant Making Official and the federal help desk and are in the process of getting the Identification Numbers added.

Completion Date: Anticipated completion date December 31, 2014

Finding

The FDEM transferred HSGP funds totaling \$2,054,262.40 to the Florida Department of Financial Services (FDFS) and the FDFS used the funds to make 34 subawards to other entities. The FDEM did not report 4 of the subawards totaling \$245,464 in the FRSR. The FDEM reported in the FRSR the other 30 subawards made by FDFS; however, all key data elements, including subaward obligation/action date and subaward number, were not properly reported. Specifically, we noted that:

- For the 30 subawards, the FDEM reported the Federal award date rather than the FDFS subaward execution dates and reported the FDEM award number for transferring funds to the FDFS rather than the FDFS subaward numbers.
- The FDEM incorrectly reported the DUNS number for one subaward and amounts for 2 subawards. One of the 2 incorrect subaward amounts was a budgeted amount rather than the final subaward amount.

FDEM Response

32 of the 34 sub-awards from FDFS to other entities were corrected and are now in compliance with FRSR guidelines. 1 of the remaining 2 is under the \$25K threshold. The remaining sub-award was incorrectly entered into the SAMS system by the sub recipient. FDFS has been in contact with Ocean City Wright Fire Control District (sub-recipient) who has been in contact with the federal help desk to get the error corrected.

Completion Date: Anticipated completion date November 15, 2014

FDEM has removed the sub-award in the amount of \$24,762

Completion Date: Completed as of October 27, 2014

Finding

The FDEM transferred HSGP funds to the Florida Department of Law Enforcement (FDLE), from which the FDLE made 1 subaward in the amount of \$90,000.

However, the FDEM did not properly report in the FSRS key data elements, including the subaward obligation/action date and subaward number.

FDEM Response

FDEM has made corrective actions and reported key data elements including the sub-award obligation/action date and sub-award number

Completion Date: Completed as of October 27, 2014

Finding

The FDEM incorrectly reported a total of \$8,454,644 in HSGP funds transferred to 7 State agencies as subawards in the FSRS.

FDEM Response

FDEM has removed 7 incorrect transfers to state agencies and correctly reported sub-recipients of the 7 state agencies with key FSRS data elements.

Completion Date: Completed as of October 27, 2014

Finding

The FDEM reported 27 HSGP subawards in the FSRS from 32 to 154 days late. Two other subawards were reported 41 and 63 days prior to the subaward obligation date and, as a result, the FDEM reported budgeted amounts rather than the final subaward amounts.

FDEM Response

FDEM has developed a spreadsheet for each program to enter the applicable information for each sub-award. Programs are forwarded this information on a weekly basis to ensure time requirements for reporting are being met.

Completion Date: Completed as of October 27, 2014