

**SIX MONTH FOLLOW-UP FOR AUDITOR GENERAL REPORT NO. 2016-159,  
STATE OF FLORIDA – COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS  
FOR THE FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY (FDEO)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Finding Number(s)</u> (See note)	<u>Program/Area</u>	<u>Brief Description</u>	<u>Status of Finding</u>	<u>Comments</u>
2015-005	Employment Services (ES) Cluster CFDA Nos. 17.207, 17.801, and 17.804  Workforce Investment Act (WIA) Cluster CFDA Nos. 17.258, 17.259, and 17.278	The FDEO did not adequately ensure that the service organizations' internal controls related to the vendor-owned Employ Florida Marketplace (EFM) system were appropriately designed and operating effectively.	Fully Corrected.	FDEO amended its contractual agreement with the vendor effective March 17, 2016, requiring an annual SOC 2 Type 2 audit report. The SOC 2 Type 2 audit adequately ensures that the service organizations' internal controls related to the vendor-owned Employ Florida Marketplace (EFM) system are appropriately designed and operating effectively. The audit report was issued on July 22, 2016.
2015-006	Unemployment Insurance Program (UI) CFDA No. 17.225	The FDEO did not always ensure that UI benefit payments were made only to eligible claimants.	Partially Corrected.	Changes to the system that will alter monetary overpayment workflows are in progress. Changes are also in process to advise claimants of job contact requirements and Workforce Center contacts. No estimated completion date as of yet. In addition, FDEO has an enhancement that will show all information submitted by claimants regarding job contacts on a PDF form. Currently the system stores the information but does not report it on a PDF form.
2015-007 2014-009	Unemployment Insurance Program (UI) CFDA No. 17.225	CONNECT did not provide accurate and complete UI claims overpayment data to ensure that all Federal reports could be accurately completed and timely submitted.	Fully Corrected.	FDEO is current on all ETA 227 reports.

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2015-008 2014-010	Unemployment Insurance Program (UI) CFDA No. 17.225	The FDEO could not provide complete records to demonstrate that benefit overpayments were properly identified and handled. In addition, the FDEO did not always accurately identify overpayments and recover overpayments through an offset against UI benefit payments.	Fully Corrected.	Collection Agency files are now processed as required.
2015-009 2014-011	Unemployment Insurance Program (UI) CFDA No. 17.225	The FDEO did not follow the established benefit accuracy measurement (BAM) case investigation procedures and methodology necessary to meet Federal BAM program testing requirements.	Fully Corrected.	BAM samples are completed weekly as required by USDOL.
2015-027	Temporary Assistance for Needy Families (TANF) CFDA No. 93.558	The FDEO did not modify subaward agreements to notify subrecipients that the terms and conditions of the Federal award had been revised.	Fully Corrected.	The award letter was posted to the website on February 4, 2016; FDEO adopted the Uniform Guidance for existing awards on July 1, 2015. The Department does not believe that any noncompliance with federal regulations occurred during this transition period between the OMB Circulars and the Uniform Guidance.

Note: Finding Number(s) refer to audit findings in report No. 2015-166 or report No. 2016-159.