



CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
STATE OF FLORIDA

September 28, 2016

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 action taken in response to Auditor General Report Number 2016-159 *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards*, published March 29, 2016.

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

Sincerely,

A handwritten signature in blue ink that reads "Teresa Michael".

Teresa Michael  
Inspector General

TM:rlg

Attached

cc: Robert Kneip, Chief of Staff  
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee

**DEPARTMENT OF FINANCIAL SERVICES  
OFFICE OF INSPECTOR GENERAL**

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

<b>Reviewing Entity</b>	<b>Report</b>	<b>Report Title</b>	<b>Date Published</b>
Auditor General	2016-159	State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards	March 29, 2016
<b>Finding 2015-003</b>	The FDFS did not ensure that State agencies recorded amounts to nonspendable fund balances net of committed amounts.		
<b>Recommendation</b>	We recommend that the FDFS enhance Statewide financial statement compilation procedures to ensure that nonspendable fund balances are recorded net of committed proceeds from long-term receivables and advances.		
<b>Original Response</b>	Concur. The Department will enhance Statewide financial statement compilation procedures to ensure that nonspendable fund balances are recorded net of committed proceeds from long-term receivables and advances.		
<b>Six-month Follow-up:</b>	September 14, 2016		
<b>Responsible Division</b>	Division of Accounting and Auditing		
<b>Reported Status</b>	The Department updated its Statewide Financial Reporting Section (SFRS) Working Trial Balance (WTB) Access database to include an additional accuracy report that identifies all funds with fund equity classifications of Nonspendable – Long-term Receivables and Advances. The report requires a reclassification of fund balance to either Committed or Restricted within special revenue funds (SF 20) with a reference to the applicable CFO Memo, as well as, suggest an analytical review for all other fund types. Additionally, SFRS updated Procedures for Statewide Financial Statements Compliance Checklist to include a review of the new WTB report and follow-up with agencies, as needed.		
<b>Expected Completion Date for Corrective Action</b>	June 30, 2016		
<b>OIG Assessment</b>	<b>Closed.</b> Based on the documentation provided by the Division of Accounting and Auditing, it appears that appropriate action was taken to address the finding.		