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September 25, 2020

Melinda Miguel
Chief Inspector General
Office of the Chief Inspector General
The Capitol
Tallahassee, Florida 32399-0001

Dear Ms. Miguel:

In accordance with Section 20.055(6)(h), Florida Statutes, attached is the six month status of corrective actions taken in response to Auditor General Report # 2020-170, State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards.

If you have any concerns regarding this status report, please contact Mike Blackburn by phone at 245-9418 or by email at mike.blackburn@fldoe.org.

Sincerely,

Richard Corcoran
Commissioner of Education

Attachment

cc: Mike Blackburn, Inspector General
Suzanne Pridgeon, Deputy Commissioner, Finance and Operations
Mari Presley, Assistant Deputy Commissioner, Finance and Operations
Joint Legislative Auditing Committee

**Florida Department of Education
Office of Inspector General – Internal Audit
Six-Month Status Report on: State of Florida Compliance and Internal Controls Over Financial
Reporting and Federal Awards
Report # 2020-170 Issued: March 25, 2020
Status as of September 25, 2020**

Program Title: Federal Family Education Loans

FDOE Response as of September 25, 2020: FDOE has contracted with an external vendor to carry out this aspect of the servicing requirements for the Office of Student Financial Assistance (OSFA). The use of the vendor will increase OSFA's ability to efficiently meet the program's obligations in the future. FDOE and the vendor are in the transitioning process to fully implement the contract. During the transition period, OSFA has continued to assign eligible loans to USED for the 2019-20 fiscal year. Full implementation of the assignment of eligible loans is expected to be complete by October 31, 2020.

Finding 2019-019: The FDOE did not assign all eligible loans to the USED.

Recommendation: We recommend that the FDOE ensure that all eligible loans are assigned to the USED in accordance with Federal regulations and procedures.

Response as of March 25, 2020: In connection with the Department's subrogation process, OSFA is required to send the USDOE an official forecast and timeline for submission. The Department sent to the USDOE the number of eligible loans and the number of loans per month that OSFA would be submitting for Subrogation. The USDOE acknowledged the forecast and timeline without issue or comment, and only asked to be notified if there were any changes to the timeline.

The USDOE requires the Department to provide a full borrower file for each loan that will be assigned for Subrogation. The files contain all borrower information which include Lender information prior to OSFA's ownership and any documents or correspondence after claim payment, until the loan is assigned to USDOE.

To ensure fulfillment of this requirement, the Department has contracted with an external vendor to carry out this aspect of the servicing requirements for OSFA. The use of the vendor will increase OSFA's ability to efficiently meet the program's obligations in the future.

Anticipated Completion Date & Contact: October 31, 2020; Lou Anne Standley (850) 245-1983