



STATE OF FLORIDA

DIVISION OF EMERGENCY MANAGEMENT

Ron DeSantis
Governor

Kevin Guthrie
Director

MEMORANDUM

TO: Kevin Guthrie, Director
FROM: Susan Cureton, Interim Inspector General
DATE: September 26, 2022
SUBJECT: Six-Month Status Report to Auditor General Report No. 2022-189

Pursuant to § 20.055(6)(h), Florida Statutes, the Office of Inspector General conducted a six-month follow-up to the Auditor General's report number 2022-189, *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards for the Fiscal Year Ended June 30, 2021*. The final report was issued by the Auditor General in March 2022, and contained five findings and five recommendations related to FDEM.

Please find attached our six-month status report regarding management's update to the findings included in the Auditor General's report. Per statutory requirements, this status report will be provided to the Chief Inspector General and the Legislative Auditing Committee.

We appreciate the assistance and cooperation provided by FDEM staff members during this project. If you have any questions, please let me know.

Attachment

CC: Jimmy Bujeda, Deputy Director
Luke Strickland, Chief of Staff
Melinda Miguel, Chief Inspector General
Legislative Auditing Committee

Florida Division of Emergency Management



Office of Inspector General

Six-Month Status Report to
Auditor General Report No. 2022-189

September 26, 2022



INTRODUCTION

Pursuant to § 20.055(6)(h), Florida Statutes, the Office of Inspector General (OIG) for the Florida Division of Emergency Management (FDEM) conducted a six-month follow-up to the Auditor General's report number 2022-189, *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards for the Fiscal Year Ended June 30, 2021*. The final report was issued by the Auditor General in March 2022, and contained five findings and five recommendations related to FDEM.

SUMMARY OF FINDINGS & MANAGEMENT'S RESPONSE

The OIG requested management in FDEM's Recovery Bureau and Financial Management Section to provide a six-month status update regarding the findings included in the Auditor General's report number 2022-189. The following is a summary of the Auditor General's findings and recommendations, along with FDEM management's six-month status update.

AUDITOR GENERAL FINDING NO. 2021-010

Program Area: Wildfires and Hurricanes Indemnity Program (WHIP) Plus

Finding: The FDEM did not report subaward information required by the Federal Funding Accountability and Transparency Act (FFATA) in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Recommendation: We recommend that FDEM Management ensure that all applicable WHIP Plus subawards are appropriately and timely reported in the FSRS.

FDEM Management's Six-Month Status Update: Partially Corrected. FDEM recently conducted a comprehensive business-process analysis for federal grants management, to include FFTA reporting. FDEM is using this analysis to develop a technological solution to complete this reporting timely.



AUDITOR GENERAL FINDING NO. 2021-041

Program Area: Coronavirus Relief Fund (CRF)

Finding: Contrary to Federal regulations, the FDEM did not monitor the activities of CRF subrecipients. Such monitoring is to include, for example, reviewing subrecipient audit reports and determining whether management decisions are required for any audit findings related to the Federal award.

Recommendation: We recommend that the FDEM conduct subrecipient monitoring, ensure that audit reports from all applicable subrecipients are timely reviewed, and follow up on applicable deficiencies noted during audit to ensure that the subrecipients took timely and appropriate action to address the deficiencies. We also recommend that the FDEM timely issue management decisions for all applicable audit findings.

FDEM Management's Six-Month Status Update: Fully Corrected. FDEM has put in place a process for reviewing the FY 2021 Federal Single-Audits for the CRF that ensures that Management Decision Letters are issued in a timely manner. FDEM is developing procedures for broader subrecipient monitoring for the CRF and recently recruited an employee for the Special Grants team who will deal with programmatic compliance.

FDEM will establish policies and procedures that ensure that newly established temporary grant programs with developing guidance, such as the Coronavirus Relief Fund (CRF), are subject to the most appropriate levels of risk assessment and subrecipient monitoring.

AUDITOR GENERAL FINDING NO. 2021-089

Program Area: Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Finding: The FDEM did not timely report subaward information required by the Federal Funding Accountability and Transparency Act (FFATA) in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Recommendation: We recommend that FDEM management ensure that all applicable Disaster Grants subawards are appropriately and timely reported in the FSRS.

FDEM Management's Six-Month Status Update: Partially Corrected. FDEM recently conducted a comprehensive business-process analysis for federal grants management, to include FFTA reporting. FDEM is using this analysis to develop a technological solution to complete this reporting timely.



AUDITOR GENERAL FINDING NO. 2021-090

Program: Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Finding: The FDEM did not correctly report the Federal share of unliquidated obligations on one Federal Financial Report submitted to the Federal Emergency Management Agency (FEMA).

Recommendation: We recommend that the FDEM strengthen Federal Financial Report review controls to ensure that all Disaster Grants program information is accurately reported to FEMA.

FDEM Management's Six-Month Status Update: Fully Corrected. We agree with the recommendation that FDEM strengthen Federal Financial Report review controls to ensure that all Disaster Grants program information is accurately reported to FEMA. It is our intention to start the reconciliation process earlier than previously started to allow the reviewer time to review all information entered matches the grant reports to ensure that Federal Financial Reports reflect accurate information.

AUDITOR GENERAL FINDING NO. 2021-091

Finding: The FDEM did not monitor subrecipients in accordance with FDEM procedures. In addition, the FDEM did not always timely document the review of subrecipient audit reports, determine whether a management decision was required, or issue management decisions for subrecipient audit findings.

Recommendation: We recommend that the FDEM conduct subrecipient monitoring in accordance with FDEM procedures and ensure that audit reports from all applicable subrecipients are timely reviewed to ensure that the subrecipients took timely and appropriate action to address all applicable deficiencies. We also recommend that the FDEM timely issue management decisions for all applicable audit findings.

FDEM Management's Six-Month Status Update: Fully Corrected. FDEM is timely reviewing subrecipient audit reports and issuing management decision letters when required.

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Florida Division of Emergency Management

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