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Subject: Status of Corrective Actions - Report No. 2024-174
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Attachments: [Six-Month Status \(2024-174\).pdf](#)

Attached is the Department's status of corrective actions for Auditor General Report Number 2024-174, *State of Florida – Compliance and Internal Controls Over Financial Reporting and Federal Awards for the Florida Department of Commerce* (March 2024).

Regards,
Jim

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**SIX MONTH STATUS OF CORRECTIVE ACTIONS –
AUDITOR GENERAL REPORT NO. 2024-174**

(Compliance and Internal Controls Over Financial Reporting and
Federal Awards for the Florida Department of Commerce)

September 16 , 2024

Finding No.	Program	Brief Description	Status of Finding	Comments (If Finding is not Fully Corrected, include reason for Finding's recurrence and corrective actions planned and taken)
2023-004 2022-017 2021-014	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii ALN 14.225 Unemployment Insurance ALN 17.225 Workforce Innovation and Opportunity Act Cluster ALNs 17.258, 17.259, 17.278 Homeowner Assistance Fund ALN 21.026 Temporary Assistance for Needy Families ALN 93.558 Low-Income Home Energy Assistance ALN 93.568 Community Services Block Grant ALN 93.569	FCOM records did not evidence the timely deactivation of Subrecipient Enterprise Resource Application (SERA) access privileges for employees who separated from FCOM employment.	Fully Corrected	
2023-005	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii ALN 14.228	FCOM did not always 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).	Fully Corrected	

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2023-006 2022-011 2021-019 2020-009 2019-006 2018-012 2017-006	Unemployment Insurance ALN 17.225	In our information technology (IT) operational audit report No. 2021-169, Reemployment Assistance Claims and Benefits Information System (CONNECT), dated March 2021, we noted in Finding 2 that Reemployment Assistance Claims and Benefits Information System (RA System) application edits for postmark dates and related date sequencing continue to need improvement. As of June 2023, FCOM had not corrected the identified deficiencies.	Not Corrected	FloridaCommerce has opened a ticket which will address the remaining postmark date issue. <ul style="list-style-type: none"> • The defect is recorded in the ticketing system, ServiceNow and will be prioritized accordingly. • The defect ticket will be taken through the Agency Governance (build guild) to present the defect for acceptance and to add the fix to the monthly build rhythm. • Production Builds are deployed monthly based on priorities correcting defects and/or adding enhancements. This build is expected to be deployed by June 2025.

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2023-007 2022-012 2021-020 2020-010 2019-008 2018-012 2017-006	Unemployment Insurance ALN 17.225	In our information technology (IT) operational audit report No. 2021-169, Reemployment Assistance Claims and Benefits Information System (CONNECT), dated March 2021, we noted in Finding 3 that procedures for document intake, indexing, and tracking processes continue to need improvement to ensure that all documents received for processing in the Reemployment Assistance Claims and Benefits Information System (RA System) are timely and accurately indexed to the appropriate claimant, claim, and claim issue. As of June 2023, FCOM had not corrected the identified deficiencies.	Fully Corrected	
2023-008 2022-013 2021-021 2020-011 2019-010 2018-012 2017-006	Unemployment Insurance ALN 17.225	In our information technology (IT) operational audit report No. 2021-169, Reemployment Assistance Claims and Benefits Information System (CONNECT), dated March 2021, we noted in Finding 4 that Reemployment Assistance Claims and Benefits Information System (RA System) processes related to system generated claim issues continue to need improvement to ensure that claims are accurately and timely processed. As of June 2023, FCOM had not corrected the identified deficiencies.	Fully Corrected	

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2023-009 2022-015 2021-023 2020-013 2019-011 2018-012 2017-006	Unemployment Insurance ALN 17.225	In our information technology (IT) operational audit report No. 2021-169, Reemployment Assistance Claims and Benefits Information System (CONNECT), dated March 2021, we noted in Finding 6 that processing defects related to claimant benefit payments, claimant overpayments, and employer charges still exist in the Reemployment Assistance Claims and Benefits Information System (RA System). As of June 2023, FCOM had not corrected the identified deficiencies.	Not Corrected	FloridaCommerce concurs with the finding, and a manual process has been in place that holds the system accountable for what is needed to meet compliance. This manual process is laborious, although necessary as the change required to resolve the finding and remove the manual steps brings high risks to the system and could impact other functionality if rushed without due diligence. Due to the amount of resources required to implement this fix, FloridaCommerce has otherwise prioritized efforts on solutions that have addressed more immediately attainable and less risky enhancements and security features – those with immediate benefits to Florida's citizens and immediately attainable security enhancements. The resolution of this finding is a priority; we anticipate over a year's worth of work to complete the process and will continue to work towards this in a manner that does not expose the rest of the system to operational risks. We anticipate a completion date of 12/31/2025.
2023-010	Unemployment Insurance ALN 17.225	FCOM change management controls need improvement to ensure that all Reemployment Assistance Claims and Benefits Information System (RA System) program code changes are managed by, and do not bypass, the FCOM change management process.	Partially Corrected	FloridaCommerce has partially corrected finding 2023-010 by outlining the change management controls used to deploy code into our production environments. The application development team pushes code through the main branch to the Production Environments using DevOps pipelines. These pipelines are administered and approved by the release manager. The main branch is always locked the only exception is to allow the developer to push the code from the lower branch and merge with the main branch which aligns with Production release schedule. The only remaining action that needs to happen is extending the log retention for longer periods which the anticipated completion is Dec 2024. Once the log retention is extended this audit find should be satisfied.
2023-011 2022-008 2021-030 2020-020	Unemployment Insurance ALN 17.225	Certain security controls related to user authentication for the Reemployment Assistance Claims and Benefits Information System (RA System) need improvement to ensure the confidentiality, integrity, and availability of RA system data and related information technology (IT) resources.	Not Corrected	FloridaCommerce is working with the development team to remediate the listed security controls by December 31, 2024.

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2023-012 2022-018	Unemployment Insurance ALN 17.225	FCOM records did not clearly evidence that UI benefit payments were made only to eligible claimants.	Partially Corrected	On March 4, 2024, FloridaCommerce did update the known system issue which corrected processing and prevent payments from being issued without clear evidence that the claimant(s) are eligible to receive UI benefits. FloridaCommerce continues to work through the backlog and resolve any remaining cases that are workable and marked for review, increase staff resources for improved productivity, and reduce the outstanding cases to promote timely adjudication; it will take FloridaCommerce until July 2025 to resolve the backlog with 105 adjudicators working an average of 65 issues a week.
2023-013 2022-020 2021-035 2020-022	Unemployment Insurance ALN 17.225	FCOM did not always ensure or timely ensure that UI claimants complied with the participation requirements of the RESEA program.	Fully Corrected	
2023-014 2022-021 2021-016	Unemployment Insurance ALN 17.225 Workforce Innovation and Opportunity Act Cluster ALNs 17.258, 17.259, 17.278	Certain security controls related to user authentication for the Employ Florida (EF) system need improvement to ensure the confidentiality, integrity, and availability of EF system data and related information technology (IT) resources.	Fully Corrected	
2023-037	Community Services Block Grant ALN93.569	FCOM did not appropriately evaluate each subrecipient's risk of noncompliance to determine the appropriate subrecipient monitoring and, consequently, FCOM could not demonstrate that the monitoring performed was based on a complete assessment of risk. Additionally, FCOM did not monitor one subrecipient within prescribed time frames or timely issue a management decision for another subrecipient's audit findings.	Not Corrected	FloridaCommerce is in the process of procuring the assistance of a vendor to revise all risk assessment and monitoring tools used for subrecipient monitoring. This will include the revision of the CSBG Policies and Procedures Manual to reflect current risk assessment procedures and ensure that all risk factors are used in determining the scope and timing of the subrecipient monitoring. FloridaCommerce will also ensure that all management decisions are issued within 6 months of acceptance of the audit report in the Federal Audit Clearinghouse.

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2022-016 2021-024 2020-014 2019-007 2018-012 2017-006	Unemployment Insurance ALN 17.225	In our information technology (IT) operational audit report titled Reemployment Assistance Claims and Benefits Information System (CONNECT), dated March 2021, we noted in Finding 7 that language translations for Reemployment Assistance Claims and Benefits Information System (RA System) claimant communications continue to need improvement. As of June 2022, the FCOM had not corrected the identified deficiencies.	Partially Corrected	FloridaCommerce has updated the RA Initial Claims application with plain language and fully translated into Spanish and Haitian Creole as of June 30, 2023. The remaining components of the Benefits System implementation of plain language and translations will be completed by June 30, 2025.
2021-003	Reemployment Assistance Fund Accounts payable and accrued liabilities; Receivables, net; Benefit payments: Grants and donations: Net Position – Prior period adjustment: Net Position – Restricted for Reemployment Assistance: Net Position – Unrestricted	For the 2019-20 and 2020-21 fiscal years, the FCOM did not record all accounts payables, receivables, unemployment insurance (UI) benefits payments, or amounts due from the Federal Government for UI benefit payments compensable by June 20 but paid during the period July 1 through September 30.	Fully Corrected	
2021-028 2020-018 2019-012 2018-012 2017-006	Unemployment Insurance ALN 17.225	In our information technology (IT) operational audit report titled Reemployment Assistance Claims and Benefits Information System (CONNECT), dated March 2021, we noted in Finding 12 that some Reemployment Assistance Claims and Benefits Information System (RA System) users had inappropriate and unnecessary access privileges to high-risk functions. As of June 2021, the FCOM had not corrected the identified deficiencies.	Partially Corrected	FloridaCommerce implemented an Identity Access Management policy on August 18, 2023. The Department is actively evaluating access privilege roles and establishing procedures to restrict system users to only functions necessary for assigned job duties. Additionally, the Department is working to develop Standard Operating Procedures (SOP) to identify role-specific job duties, anticipated completion date is June 30, 2025.
2021-034 2020-021	Unemployment Insurance ALN 17.225	The FCOM could not provide accurate data for the period July 2020 through June 2021 demonstrating that UI benefit overpayments were properly identified and handled in accordance with applicable requirements or that debts resulting from overpayments were appropriately offset.	Fully Corrected	