



STATE OF FLORIDA

DIVISION OF EMERGENCY MANAGEMENT

Ron DeSantis
Governor

Kevin Guthrie
Executive Director

MEMORANDUM

TO: Kevin Guthrie, Executive Director
FROM: Mandi Cohen, Inspector General
DATE: September 20, 2023
SUBJECT: Six-Month Status Report to Auditor General Report No. 2023-174

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 2023-174, *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards For the Fiscal Year Ended June 30, 2022*. The final report was issued by the Auditor General in March 2023 and contained three findings and three 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 engagement. If you have any questions, please let me know.

Attachment

CC: Keith Pruett, Deputy Director
Luke Strickland, Chief of Staff
Melinda Miguel, Chief Inspector General
Joint Legislative Auditing Committee

Florida Division of Emergency Management



Office of Inspector General

Six-Month Status Report to
Auditor General Report No. 2023-174

September 20, 2023



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 2023-174, *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards For the Fiscal Year Ended June 30, 2022*. The final report was issued by the Auditor General in March 2023 and contained three findings and three recommendations related to FDEM.

SUMMARY OF FINDINGS & MANAGEMENT'S RESPONSE

The OIG requested management in FDEM's Recovery and Mitigation Bureaus to provide a six-month status update regarding the findings included in the Auditor General's report number 2023-174. 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. 2022-062

Finding: The FDEM did not timely or accurately 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). Additionally, the FDEM was unable to provide all FFATA reports requested for audit.

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 Recovery's contracts formerly have been reported at closeout once the total cost of all work projects (PWs) for a subrecipient is known because our contracts start out as zero-dollar contracts. Our system also does not capture all of the FFATA reporting data fields required for the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) reporting.

FDEM conducted a comprehensive business-process analysis for federal grants management to include FFATA reporting. FDEM Recovery Bureau used this analysis to develop a technological solution to complete this reporting timely and accurately. FDEM Recovery Bureau has engaged its FloridaPA.org contractor to develop a FFATA reporting module for FEMA Public Assistance (PA) grants. FFATA reporting module user acceptance testing took place during June - July 2023. The FFATA reporting module went live, as scheduled on September 1, 2023.



AUDITOR GENERAL FINDING NO. 2022-063

Finding: The FDEM did not evaluate each subrecipient's risk of noncompliance for the purpose of determining the appropriate subrecipient monitoring and, consequently, the FDEM could not demonstrate that monitoring performed was based on risk.

Recommendation: We recommend that the FDEM evaluate each subrecipient's risk of noncompliance for the purpose of determining the appropriate subrecipient monitoring and conduct subrecipient monitoring based on the risk assessment.

FDEM Management's Six-Month Status Update: Partially Corrected. Due to staff turnover and limited staffing, we were unable to conduct the monitoring to the extent identified in the audit finding.

To mitigate this finding, FDEM requested funding for 15 compliance positions in the Division's 2023 Legislative Budget Request. The Legislature provided FDEM with funding for 5 compliance positions in the 2023-24 Budget that took effect July 1, 2023. FDEM has advertised the positions and anticipates the positions will be filled by the end of September 2023. The new compliance positions will conduct compliance related activities, including monitoring during the 2023-2024 fiscal year. FDEM's subrecipient monitoring policies and procedures are being revised and will be adopted through the Division's Standard Operating Procedures (SOP) system.

AUDITOR GENERAL FINDING NO. 2022-064

Finding: The FDEM 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).

Recommendation: We recommend that FDEM management enhance controls to ensure that all applicable HMGP subawards are appropriately and timely reported in the FSRS.

FDEM Management's Six-Month Status Update: Fully Corrected. The Mitigation Bureau has made changes to current FFATA reporting procedures:

1. Developed a centralized Mitigation Bureau subaward agreement tracking spreadsheet for submission of the subaward agreements to Division Finance for entry of the agreements into the FSRS system.
2. Require that the Division Finance staff responsible for entering the agreements into the FSRS system notify Mitigation Bureau via email when the agreements have been entered into the system.
3. The Mitigation Bureau has requested a month-end roll-up report from the FSRS system so that we can do quality control checks on what was submitted for entry compared to what was entered into the system.

Executive Office of the Governor
Florida Division of Emergency Management

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