

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

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

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2020-170	State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards in Accordance with the Uniform Guidance	3/25/2020
Finding 2019-001	The FDFS, Statewide Financial Reporting Section (SFRS), recorded incorrect amounts for debt related to capital assets to Net Position - Net investments in capital assets (Net investments in capital assets).		
Recommendation	We recommend that SFRS management enhance controls to ensure that SFRS staff evaluate all governmental activities amounts provided by State agencies for consistency and reasonableness prior to completion of the government-wide financial statements. Additionally, we recommend that SFRS management enhance controls to ensure that supervisory review of government-wide net position calculations is conducted to promote the timely detection and correction of errors.		
Responsible Division	Division of Accounting and Auditing		
Original Response	We concur. The SFRS will enhance its review process through the creation and implementation of a financial statement reconciliation tool which will assist management in the review, identification, and correction of presentation errors noted between the respective financial statement line items. Additionally, updates to SFRS procedures will be made to include the use of the tool during review and include a comprehensive list of validation criteria that will be used by management to ensure the consistency and reasonableness of the amounts presented in the financial statements of the State of Florida.		
Six-month Follow-up:	9/25/2020		
Reported Status	Fully corrected.		
Expected Completion Date for Corrective Action	Not applicable.		
OIG Assessment	Closed. Based on the information and supporting documentation provided by leadership, appropriate corrective action appears to have been taken.		

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

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

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2020-170	State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards in Accordance with the Uniform Guidance	3/25/2020
Finding AM 2019-01	The FDFS incorrectly recognized tobacco settlement amounts owed to the State as revenues prior to the amounts becoming available. Additionally, the FDFS did not record net receivables and unavailable revenue for all tobacco settlement amounts.		
Recommendation	We recommend that FDFS management enhance year-end closing procedures to ensure that only amounts received within 60 days of fiscal year end are recorded as revenues. Additionally, we recommend that FDFS management ensure that all receivables, including interest, are properly recorded.		
Responsible Division	Bureau of Financial Services		
Original Response	<p>The Office of Finance and Budget concurs with the Auditor General's finding. OFB Reconciliation and Reporting unit has reviewed and updated the year end checklist to include:</p> <ul style="list-style-type: none"> • Establishing receivables for the outstanding amounts owed by the tobacco Companies. • Reviewing receivables at 09/30 and up to the completion of the CAFR to reclass as needed. <p>OFB Reconciliation and Reporting unit has also reviewed and updated procedure 2.8.01 Year End Financial Statements Preparation to include:</p> <ul style="list-style-type: none"> • Review of receivables at 09/30 to determine if any need to be reclassified. 		
Six-month Follow-up:	9/25/2020		
Reported Status	The Bureau of Financial Services, Reporting & Reconciliation Unit (RRU) incorporated the receivable and reclassification steps in two desk procedures; <i>2.3.06 Tobacco Settlement Transfers</i> , updated January & September 2020 & <i>2.8.01 Year End Financial Statement</i> , updated December 2019 & September 2020. Additionally, the RRU team added steps to the overall <i>year-end checklist</i> tool that the team uses to ensure tasks are completed during the closing process. Upon review of the pending receivables as of August 30, the RRU team has prepared a post-closing adjustment form further classifying the receivables to Deferred Inflows, GL 47300		
Expected Completion Date for Corrective Action	Not applicable.		
OIG Assessment	Closed. Based on the information and supporting documentation provided by leadership, appropriate corrective action appears to have been taken.		