



CHIEF FINANCIAL OFFICER
BLAISE INGOGLIA
STATE OF FLORIDA

September 8, 2025

The Honorable Blaise Ingoglia
Chief Financial Officer
The Capitol, PL-11
Tallahassee, Florida 32399-0301

Dear Chief Financial Officer Ingoglia:

As required by Section 20.055, Florida Statutes, I am providing the Department's six-month status report of corrective actions taken in response to Auditor General Report Number 2025-162, *State of Florida-Compliance and Internal Controls Over Financial Reporting and Federal Awards*, published March 26, 2025. At this time, we consider this matter closed.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "D. E. Case".

Dawn E. Case
Inspector General

DEC/dkc
Enclosure

c: Katie Strickland, Chief of Staff
Susan Miller, Deputy Chief of Staff
Scott Fennell, Deputy Chief Financial Officer
Renee Hermeling, Director, Division of Accounting and Auditing
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee

Department of Financial Services
Office of Inspector General

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

Reviewing Entity	Report No.	Report Title	Date Published
Auditor General	2025-162	State of Florida – Compliance and Internal Controls Over Financial Reporting and Federal Awards	03/26/2025
Finding No. 1	The FDFS, Statewide Financial Reporting Section (SFRS), did not properly allocate the fair value of investments held by the FDFS Division of State Treasury (Treasury) Investment Pool (Pool) to Pool participant accounts nor did the SFRS properly allocate security lending investments and liabilities to Pool participant accounts. Additionally, the SFRS overstated warrants in the <i>Deposits and Investments</i> note to the financial statements in an attempt to reconcile Treasury Pool records to the financial statements.		
Recommendation	We recommend the SFRS management complete all steps within established procedures to ensure that fair market value, including investment earnings (losses) and security lending agreement amounts, are properly allocated based on each State fund’s participant account balance. We also recommend that SFRS management enhance established procedures to include the use of control totals, additional review steps, and analyses to prevent and timely detect and correct errors.		
Original Response	<p>FDFS concurs with the finding.</p> <p>The required steps to allocate fair market value, including investment earnings (losses) and security lending agreement amounts are provided in Note 3 – Deposits and Investments Section of BFR 0190-2025 Procedures for Notes to the Financial statements. During the fiscal year ended June 30, 2024, a macro in the Masters database that added local fund data for OLOs 550000, 600000, and 670000 to the Pool 1 and Pool 2 data tables failed to run subqueries included in the macro. This failure resulted in an incorrect allocation of fair market value and security lending agreement amounts. The procedure is designed to provide the steps necessary to perform the allocations and recording in trial balance, however, control totals and review analytics must also be utilized to identify system failures and identify errors requiring remedy prior to process completion and inclusion in the statements. Management will provide additional review and monitoring steps.</p> <p>In addition, procedures have been updated to ensure individual queries are run, enhanced to require control totals on all workpapers, and require additional analytical review by supervisors to identify potential errors.</p>		
Six-month Follow-up: September 26, 2025			
Responsible Division	Division of Accounting & Auditing		
Reported Status	Fully Corrected, Procedures were updated. Workpapers were built within Workiva and enhanced to include control totals. On August 29, 2025, final review/testing and approval, using PY data, will occur. Upon successful agreement with PY, the workpaper will be moved to production and rolled forward to complete FMV Allocations using the new workpapers.		
Expected Completion Date for Corrective Action	August 29, 2025		

Department of Financial Services

Office of Inspector General

OIG Assessment	Complete. The OIG determined that the Division has taken adequate action to resolve this finding.
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