



STATE OF FLORIDA DIVISION OF EMERGENCY MANAGEMENT



Ron DeSantis, Governor

Kevin Guthrie, Executive Director

MEMORANDUM

TO: Kevin Guthrie, Executive Director
FROM: Mandi Mitchell, Inspector General *Mandi Mitchell, Inspector General* 22SEP2025
DATE: September 22, 2025
SUBJECT: Six-Month Status Report to Auditor General Report No. 2025-162

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 2025-162, *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards for the Fiscal Year Ended June 30, 2024*. The final report was issued by the Auditor General in March 2025 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: Stephanie Houp, Deputy Executive Director
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. 2025-162

September 22, 2025



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 2025-162, *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards for the Fiscal Year Ended June 30, 2024*. The final report was issued by the Auditor General in March 2025 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 Finance Bureaus to provide a six-month status update regarding the findings included in the Auditor General's report number 2025-162. 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. 2024-002

Finding: The FDEM incorrectly recorded amounts not related to Federal programs as Receivables, net (Due from Federal government) and Grants and donations and incorrectly recorded certain amounts as 2023-24 fiscal year Due from Federal Government and Grants and donations that were earned during the 2022-23 fiscal year and also recorded as Grants and donations in that year. Additionally, the FDEM incorrectly recorded Grants and donations earned in the 2022-23 fiscal year in 2023-24 fiscal year operations instead of restating Fund balances – beginning.

Recommendation: We recommend that FDEM management enhance year-end financial reporting processes to include controls to ensure that only those revenues earned during the fiscal year are recorded in the financial records. In addition, FDEM management should ensure that corrections of prior period errors are recorded to Fund balances – beginning and that appropriate note disclosures are reported in the State's ACFR.

FDEM Management Response: FDEM will enhance its year-end financial reporting processes to ensure that the revenues recorded are accurate, complete, and only include those revenues earned during the applicable fiscal year. In addition, when errors that impact prior periods are identified, they will be recorded as adjustments to beginning fund equity with the appropriate note disclosures in accordance with GASB Codification Sections 2250.145 and 2250.147 and the ACFR Guidance issued by the Florida Department of Financial Services (DFS).

FDEM Management Six-Month Status Update: Fully Corrected

FDEM fiscal policies and procedures were updated to include steps that ensure all accounts are complete, accurate, and reported within the correct accounting period. This includes, but is not limited to, the treatment of corrections to prior period accounting records that should be recorded as prior period adjustments, with appropriate note disclosures, in accordance with applicable GASB standards and ACFR Guidance issued by the Florida DFS.



AUDITOR GENERAL FINDING NO. 2024-059

Finding: The FDEM did not timely report all 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 timely reported in the FSRS.

FDEM Management Response: FDEM concurs with this finding. FDEM has continued to manually enter subawards for all months, in addition to retroactively entering the 282 subawards from July and August 2023 into FSRS.gov prior to the March 6, 2025, FSRS deactivation deadline. FSRS.gov will be migrated to SAM.gov, which is aimed at improving the user experience.

FDEM Management Six-Month Status Update: Fully Corrected.

The 282 identified subawards were retroactively entered into the FSRS.gov system prior to its deactivation deadline on March 6, 2025. FSRS.gov was migrated to SAM.gov to improve user experience. Since SAM.gov allows multiple user logins, a dedicated team was established to ensure the timely and accurate monthly entry of subawards. The team continues to manually enter all subawards into SAM.gov within the required 30-day window following obligation.

AUDITOR GENERAL FINDING NO. 2024-060

Finding: The FDEM did not provide all required subaward information to subrecipients, evaluate all subrecipients' risk of noncompliance to determine the appropriate subrecipient monitoring, or always conduct risk-based subrecipient monitoring.

Recommendation: We recommend that the FDEM ensure that information regarding the indirect cost rate is included in Disaster Grants subrecipient agreements. We also 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 Response: FDEM concurs with this finding. FDEM will notify subrecipients via a Public Assistance (PA) Indirect Cost Program Notice to address indirect cost language related to disaster subaward agreements. The Monitoring Unit is fully staffed and prepared to implement the updated Monitoring Policy that includes monitoring identifiers to determine the type of subrecipient monitoring.

FDEM Management Six-Month Status Update: Fully Corrected.

FDEM Recovery Bureau finalized the Public Assistance Indirect Cost Program Notice to address and clarify indirect cost language that was not included in some of the original subaward



agreements. The Program Notice specifically highlighted the disasters that required updates to the original subaward agreements concerning indirect cost language. To ensure that all identified subrecipients were informed of the changes to the indirect cost rate associated with their federal award, FDEM emailed the Program Notice to all subaward agreement points of contact, including alternate points of contact, housed in FLPA.org. Additionally, the Indirect Cost Program Notice PDF was uploaded to each individual Applicant Profile Document Page in FLPA.org, and a note was added to each Applicant Profile Page. All methods of notification were executed prior to June 30, 2025. The fdem-recovery-question@em.myflorida.com inbox was monitored at the time of notification and continues to be monitored for any questions.

Since July 2024, the Monitoring Unit has conducted monitoring reviews on 44 subrecipients, utilizing Risk Assessment ratings, Federal Single Audit reviews, and project complexity. The Monitoring Policy was finalized and fully implemented prior to June 30, 2025, establishing a structured and standardized process for monitoring Public Assistance (PA) subrecipients and other applicable special grants administered by the FDEM Recovery Bureau. This policy ensures that subrecipients comply with their subaward terms and conditions, meet performance goals, and adhere to federal and state requirements. The type of monitoring applied is determined by each applicant's Risk Assessment rating, Federal Single Audit reviews, and project complexity.

The Monitoring Unit continues to monitor subrecipient activities to verify that all subawards are used for their authorized purposes and remain in compliance with applicable state and federal regulations. To enhance these efforts, the FLPA.org Risk Assessment Enhancement went live in the fourth quarter of FY 24-25, improving the Recovery Bureau's ability to assess and monitor risk effectively. During the 2023–2024 audit, the Compliance Team identified 2,765 applicants requiring in-house risk assessments. These applicants were flagged due to open projects or expenditures initiated before 2022 and lacking current risk assessments on file. All 2,765 risk assessments were successfully completed and finalized prior to the deadline of June 30, 2025.

The Compliance Unit continues to provide subrecipients with feedback on their policies, procedures, contracts, and procurement documentation to ensure alignment with Federal Procurement Standards and FEMA Public Assistance (PA) Program guidance. This proactive support helps local entities address noncompliance issues and mitigate the risk of funding de-obligation. In addition, the Compliance Unit is developing Federal Procurement Under Grants Training Workshops to help applicants understand federal requirements and apply them effectively during real-time disaster response and recovery operations. Finally, the Compliance Unit has enhanced its Compliance Checklists to eliminate ambiguity and provide clear, actionable feedback, including identifying specific federal regulations not followed in each document reviewed.

Executive Office of the Governor
Florida Division of Emergency Management

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