



Summary

Report Number: [2025-162](#)

Report Title: [State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards](#)

Report Period: [FYE 06/30/2024](#)

Release Date: [03/26/2025](#)

[Management's Corrective Action Plan](#)

[Summary Schedule of Prior Audit Findings](#)

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

The State of Florida's basic financial statements as of and for the fiscal year ended June 30, 2024, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our report is included in the [Florida Annual Comprehensive Financial Report \(ACFR\)](#) for the fiscal year ended June 30, 2024, issued by the Chief Financial Officer.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

We noted and considered the following matter involving internal control over financial reporting and its operation to be a material weakness:

- The Florida Department of Financial Services (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 outstanding warrants in the Deposits and Investments note to the financial statements in an attempt to reconcile Treasury Pool records to the financial statements. (Finding No. 2024-001)

We noted and considered the following matter involving internal control over financial reporting and its operation to be a significant deficiency:

- The Florida Division of Emergency Management (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. (Finding No. 2024-002)

We noted the following additional matters that we reported to management but did not consider to be significant deficiencies:

- The Florida Department of Commerce (FCOM) incorrectly included unemployment insurance (UI) benefit payments compensable after June 30, 2024, in the 2023-24 fiscal year UI accounts payable calculation. Additionally, FCOM neither accurately calculated nor recorded benefit payments owed to other states at fiscal year end. (Finding No. AM 2024-01)
- Florida Agency for Health Care Administration (FAHCA) procedures for preparing the Schedule of Expenditures of Federal Awards (SEFA) data form were not sufficient to ensure the accuracy of reported amounts. As a result, prior to audit adjustment, amounts reported on the State's SEFA were incorrect. (Finding No. AM 2024-02)
- The Florida Department of Children and Families (FDCF) did not properly report amounts for 20 Federal programs on the SEFA. As a result, prior to audit adjustment, amounts reported on the State's SEFA were incorrect. (Finding No. AM 2024-03)
- FCOM procedures for preparing the SEFA data form were not sufficient to ensure the accuracy of reported amounts. As a result, prior to audit adjustment, amounts reported on the State's SEFA and Notes to the SEFA were incorrect. (Finding No. AM 2024-04)
- Florida Department of Elder Affairs (FDOEA) procedures for preparing the SEFA data form were not sufficient to ensure the accuracy of reported amounts. As a result, prior to audit adjustment, amounts reported on the State's SEFA were incorrect. (Finding No. AM 2024-05)

SUMMARY OF REPORT ON FEDERAL AWARDS

State agencies, universities, and colleges administered approximately 618 Federal awards programs and program clusters during the 2023-24 fiscal year. Expenditures for the 28 major programs totaled \$35.5 billion or approximately 63 percent of the total expenditures of \$56.3 billion reported on the SEFA.

Compliance requirements for Federal awards programs are established in the Office of Management and Budget (OMB) *Compliance Supplement*. Types of compliance requirements include: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Eligibility; Equipment and Real Property Management; Matching, Level of Effort, Earmarking; Period of Performance; Procurement and Suspension and Debarment; Program Income; Reporting; Subrecipient Monitoring; and Special Tests and Provisions.

Compliance

The State of Florida complied, in all material respects, with the compliance requirements applicable to each of its major Federal awards programs, except as described in the following instances:

- For the Public Health Emergency Preparedness program, we are unable to express, and do not express, an opinion on the Florida Department of Health's (FDOH's) compliance with the Matching, Level of Effort, Earmarking compliance requirement because the FDOH was unable to provide documentation evidencing that the level of effort requirements were met. (Finding No. 2024-026)
- For the Epidemiology and Laboratory Capacity for Infectious Diseases program, we are unable to express, and do not express, an opinion on the FDOH's compliance with the Reporting compliance requirement because the FDOH was unable to provide the quarterly financial reports submitted to the Centers for Disease Control. (Finding No. 2024-027)
- FCOM was unable to identify all Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii subaward actions required to be reported in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) and, as a result, FCOM did not always report subaward information required by the Federal Funding Accountability and Transparency Act (FFATA) in the FSRS, resulting in an opinion qualification. (Finding No. 2024-006)
- FCOM was unable to identify all Employment Services Cluster subaward actions required to be reported in the FSRS and, as a result, FCOM did not always report subaward information required by the FFATA in the FSRS, resulting in an opinion qualification. (Finding No. 2024-007)

- FCOM did not always ensure that Unemployment Insurance claimants complied with the participation requirements of the Reemployment Services and Eligibility Assessments program, resulting in an opinion qualification. (Finding No. 2024-013)
- FCOM was unable to identify all Workforce Innovation and Opportunity Act Cluster subaward actions required to be reported in the FSRS and, as a result, FCOM did not always report subaward information required by the FFATA in the FSRS, resulting in an opinion qualification. (Finding No. 2024-016)
- The Florida Department of Education (FDOE) did not always ensure that expenditures charged to the Rehabilitation Services Vocational Rehabilitation Grants to States program were incurred during the authorized period of performance, resulting in an opinion qualification. (Finding No. 2024-019)
- The FDCF did not always timely review and process Income Eligibility and Verification System data exchange responses for Temporary Assistance for Needy Families recipients, resulting in an opinion qualification. (Finding No. 2024-032)
- FCOM was unable to identify all Low-Income Home Energy Assistance subaward actions required to be reported in the FSRS and, as a result, FCOM did not always report subaward information required by the FFATA in the FSRS, resulting in an opinion qualification. (Finding No. 2024-037)
- The Florida Department of Juvenile Justice (FDJJ) did not always expend Social Services Block Grant (SSBG) funds on allowable activities, resulting in an opinion qualification. (Finding No. 2024-045)
- The FDJJ accumulated a cash balance of SSBG funds and FDJJ records were not adequate to demonstrate that SSBG funds were expended within the period of performance, resulting in an opinion qualification. (Finding No. 2024-046)
- The FAHCA did not ensure that capitation payments made to contracted health plans on behalf of enrolled Medicaid and Children's Health Insurance Program (CHIP) recipients were allowable or made for eligible recipients, resulting in an opinion qualification. (Finding No. 2024-051)
- The FDCF did not always terminate Medicaid benefits after determining recipients to be ineligible nor consider all required information in continuing Medicaid eligibility, resulting in an opinion qualification. (Finding No. 2024-053)
- The FAHCA did not check all required Federal databases to confirm the identify and exclusion status of providers upon enrollment and reenrollment nor evidence of record that all provider stakeholders were subject to required background screenings and Federal database matches were reviewed and resolved. Additionally, the FAHCA did not screen, enroll, or periodically revalidate all registered network providers of Managed Care Organizations, Prepaid Inpatient Health Plans, and Prepaid Ambulatory Health Plans in accordance with Federal regulations, resulting in an opinion qualification for the CHIP and Medicaid Program. (Finding No. 2024-054)
- The FAHCA did not always conduct health and life safety surveys in accordance with Federal regulations and established procedures, resulting in an opinion qualification for the Medicaid Program. (Finding No. 2024-055)

The results of our audit also disclosed other instances of noncompliance pertaining to programs administered by various State agencies as described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. Some of the instances of noncompliance resulted in questioned costs subject to disallowance by the grantor agency.

Internal Control Over Compliance

We noted numerous matters at various State agencies and a State university involving internal control over compliance and its operation that we consider to be material weaknesses or significant deficiencies. Material weaknesses and significant deficiencies are described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** and pertained to several compliance requirements.

SUMMARY OF REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The State's **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** (SEFA) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the State's basic financial statements. The State's SEFA does not include Federal awards expenditures for the State's blended component units, CareerSource Florida, Inc., and the Florida Commission on Community Service; discretely presented component units of the State's universities and colleges; or discretely presented component units other than the State's universities and colleges. In our opinion, the SEFA is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

AUDIT SCOPE

As a condition of receiving Federal funds, the OMB requires, as described in the Uniform Guidance, an audit of the State's financial statements and major Federal awards programs. Pursuant to Section 11.45, Florida Statutes, we conducted an audit of the basic financial statements of the State of Florida as of and for the fiscal year ended June 30, 2024. We also subjected supplementary information contained in the State's Annual Comprehensive Financial Report and the State's SEFA to auditing procedures applied in our audit of the basic financial statements. Additionally, we audited the State's compliance with governing requirements for the Federal awards programs and program clusters that we identified as major programs for the fiscal year ended June 30, 2024. We also performed procedures to assess the reasonableness of the **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS** prepared by the State of Florida.

AUDIT OBJECTIVES

The objectives of our audit were to:

- Obtain reasonable assurance about whether the State's basic financial statements as a whole were free from material misstatement, whether due to fraud or error, and to issue an auditor's report that included our opinions.
- Express an opinion concerning whether the State's SEFA was presented fairly, in all material respects, in relation to the State's basic financial statements as a whole.
- Obtain an understanding of internal control over financial reporting and internal control over compliance for each major Federal awards program or program cluster, assess the control risk, and perform tests of controls, unless the controls were deemed to be ineffective.
- Express opinions concerning whether the State complied, in all material respects, with Federal statutes, regulations, and the terms and conditions of Federal awards that may have a direct and material effect applicable to each of the major Federal awards programs and program clusters.
- Determine whether management had taken appropriate actions to correct deficiencies noted in our previous audit reports.
- Assess the reasonableness of the Summary Schedule of Prior Audit Findings prepared by the State.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Uniform Guidance.

Written responses to our findings and recommendations are included within the audit report which can be viewed on the Auditor General Web site.