



Summary

Report Number: [2026-155](#)

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

Report Period: [FYE 06/30/2025](#)

Release Date: [03/26/2026](#)

[Management's Corrective Action Plan](#)

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SUMMARY OF REPORT ON FINANCIAL STATEMENTS

The State of Florida's basic financial statements as of and for the fiscal year ended June 30, 2025, 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, 2025, issued by the Chief Financial Officer.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses.

We noted and considered the following matters involving internal control over financial reporting and its operation to be significant deficiencies:

- The Florida Agency for Health Care Administration (FAHCA) did not record for financial statement reporting purposes all fiscal year year-end net receivables and related unavailable revenue for the Medicaid Drug Rebate Program. (Finding No. 2025-001)
- The FAHCA did not record all claims payable and corresponding amounts due from the Federal Government for the 2024-25 fiscal year. Additionally, the FAHCA did not correctly calculate amounts due from the Federal Government for recorded claims payable for the 2024-25 fiscal year. (Finding No. 2025-002)

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

- The Florida Department of Revenue's process for identifying Unemployment Insurance (UI) program expenditures was not sufficient to allow for the accurate preparation of the Schedule of Expenditures of Federal Awards (SEFA) data form. As a result, prior to audit adjustment, amounts reported on the State's SEFA were incorrect. (Finding No. AM 2025-01)
- FAHCA 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 2025-02)

- The Florida Department of Children and Families (FDCF) did not properly report certain amounts for Federal programs on the SEFA. As a result, prior to audit adjustment, amounts reported on the State's SEFA were incorrect. (Finding No. AM 2025-03)

SUMMARY OF REPORT ON FEDERAL AWARDS

State agencies, universities, and colleges administered approximately 607 Federal awards programs and program clusters during the 2024-25 fiscal year. Expenditures for the 25 major programs totaled \$35.8 billion or approximately 64 percent of the total expenditures of \$55.8 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:

- Florida Department of Commerce (FCOM) records did not always evidence whether UI claimants complied with Reemployment Services and Eligibility Assessments (RESEA) program participation requirements nor did FCOM ensure that all claimants who did not participate in required RESEA program activities were referred for adjudication, resulting in an opinion qualification. (Finding No. 2025-010)
- The FDCF did not always accurately or timely report Temporary Assistance for Needy Families (TANF), Refugee and Entrant Assistance – State/Replacement Designee – Administered Programs (REAP), Social Services Block Grant (SSBG), and Block Grants for Community Mental Health Services (CMHS) program subaward information required by the Federal Funding Accountability and Transparency Act (FFATA) in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) or in SAM.gov, as applicable, resulting in an opinion qualification. (Finding No. 2025-025)
- The FDCF did not evaluate each TANF subrecipient's risk of noncompliance to determine the appropriate monitoring nor conduct any subrecipient monitoring, resulting in an opinion qualification. (Finding No. 2025-026)
- The FDCF did not always timely review and process Income Eligibility and Verification data exchange responses for TANF recipients, resulting in an opinion qualification. (Finding No. 2025-027)
- The FDCF did not evaluate each REAP subrecipient's risk of noncompliance to determine the appropriate monitoring nor conduct any subrecipient monitoring, resulting in an opinion qualification. (Finding No. 2025-032)
- The FDCF did not evaluate each SSBG subrecipient's risk of noncompliance to determine the appropriate programmatic monitoring nor conduct any subrecipient monitoring, resulting in an opinion qualification. (Finding No. 2025-034)
- The FAHCA did not report Children's Health Insurance Program (CHIP) subaward information required by the FFATA in the FSRS, resulting in an opinion qualification. (Finding No. 2025-035)
- 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. 2025-038)

- 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. 2025-039)
- The FAHCA did not check all required Federal databases to confirm the identity of providers upon enrollment and reenrollment nor evidence that all Federal database matches were reviewed and resolved, resulting in an opinion qualification for the CHIP and Medicaid Program. (Finding No. 2025-040)
- Florida Department of Health financial records did not evidence that HIV Care Formula Grants program earmarking requirements were met, resulting in an opinion qualification. (Finding No. 2025-044)
- The FDCF did not evaluate each CMHS subrecipient's risk of noncompliance to determine the appropriate programmatic monitoring nor conduct any subrecipient monitoring, resulting in an opinion qualification. (Finding No. 2025-046)

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 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, 2025. 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, 2025. 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.