CHIEF FINANCIAL OFFICER
BLAISE INGOGLIA
STATE OF FLORIDA

June 30, 2026

Secretary J. Alex Kelly
Department of Commerce
107 East Madison Street
Tallahassee, Florida 32399

Dear Secretary Kelly,

As authorized in sections 17.03 and 287.136, Florida Statutes (F.S.), the Department of Financial Services, Division of Accounting and Auditing, Bureau of Auditing, has conducted an audit of the contract management and monitoring processes for the Department of Commerce (the Department) for the period of July 1, 2024, through June 30, 2025.

**Objectives and Methodology**

The objective of this review was to determine whether the Department, who assists the Governor in advancing Florida's economy by championing the state's economic development vision and by administering state and federal programs and initiatives to help visitors, citizens, businesses, and communities, complied with contract deliverables and monitoring efforts. The Department is responsible for the procurement, contract management, and monitoring of all Department contracts. Our audit focused on grant disbursement agreements, standard two-party agreements and purchase orders that were active and closed during the audit period. Our population included 545 contracts totaling $464.2 million.

**Summary of Recommendations**

Based on our review, the implemented internal controls at the Department for contract management and monitoring processes are adequate, except for a few areas noted during our review where improvement should be considered. Please note, this audit was performed for the Fiscal Year (FY) 2024/2025; therefore, the policies, procedures, statutes, and Chief Financial Officer (CFO) Memoranda that were active during FY 2024/2025 were utilized during this audit. Historical CFO Memoranda are not available on the CFO's website; however, they can be provided upon request. The Department should utilize the current policies, procedures, statutes, and CFO Memoranda going forward. We recommend the Department take the following actions:

- Ensure the Department is in compliance with CFO Memorandum Number (No.) 5 and the Department's procedure titled "Contract Guidelines 082025", by establishing and maintaining a formal monitoring process that includes monitoring procedures, an annual Risk Assessment and Monitoring Plan. The Department should also implement a monitoring tool to demonstrate the monitoring efforts performed by the contract manager.

- Ensure the Department is in compliance with CFO Memorandum No. 5 by verifying all required documentation is included with each invoice regarding deliverables prior to payment and maintained in the contract manager's file.

- Ensure the Department is in compliance with CFO Memorandum No. 1 and section (s.) 216.3476, F.S., by completing the required cost analysis for service agreements awarded on a noncompetitive basis and maintain the documentation in the contract manager file.

- Ensure the Department is in compliance with CFO Memorandum No. 20, 69I-5.005 Florida Administrative Code, and s. 215.97(2)(a), F.S., by ensuring a Project Determination Checklist, a Recipient/Subrecipient vs Vendor Determination Checklist, and single audit are completed for contracts that include state financial assistance.

- Ensure the Department is in compliance with s. 287.057(15)(c), F.S., by ensuring all contract managers who manage contracts in excess of $100,000 annually complete the Florida Certified Contract Manager training.

- Ensure the Department is in compliance with s. 216.181, F.S., by maintaining supporting documentation in the contract manager's files for advance payments invested in an interest-bearing account and the interest earned was paid to the State quarterly.

- Ensure the Department is in compliance with CFO Memorandum No. 4 by completing a final reconciliation report, evaluation of completeness of required deliverables, the contract manager's written certification, and end-of-contract financial matters analysis.

- Ensure the Department is in compliance with s. 215.422, F.S., by verifying that all applicable dates are included on the invoice or supported through other documentation establishing the timeline from receipt through approval, to ensure that all invoices are reviewed and approved within the required 5-day working day timeframe.

These improvements will ensure contract management and monitoring efforts and the maintenance of documentation are properly performed. Please see the attached Audit Summary of the issues noted, which are the basis for the above recommendations.

We appreciate the support and courtesy extended to our audit team. Completed reports of the Bureau of Auditing are available at https://www.myfloridacfo.com/division/aa/audits-reports. If you have any questions, please contact Ms. Kim Holland, Bureau Chief, at (850) 413-5700 or Kim.Holland@myfloridacfo.com.

Sincerely,

[redacted]

Renée Hermeling, Director

RH/avg

c. James E. Landsberg, Inspector General
Sean Shrader, Office of the Inspector General, Audit Director