

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2026-011
August 2025

DEPARTMENT OF STATE

Prior Audit Follow-Up



Sherrill F. Norman, CPA
Auditor General

Secretary of State

The Department of State is established by Section 20.10, Florida Statutes. The head of the Department is the Secretary who is appointed by the Governor and subject to confirmation by the Senate. Cord Byrd served as Secretary of State during the period of our audit.

The Auditor General conducts audits of government entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Ranleigh Hudgens, CPA, and the audit was supervised by Jon M. Bardin, CPA.

Please address inquiries regarding this report to Melisa Hevey, CPA, Audit Manager, by e-mail at melisahevey@aud.state.fl.us or by telephone at (850) 412-2935.

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DEPARTMENT OF STATE

Prior Audit Follow-Up

SUMMARY

This operational audit of the Department of State (Department) focused on the progress the Department had made, or was in the process of making, in addressing Findings 9, 10, 13, 14, and 16 noted in our report No. 2021-096, and Findings 4 through 6 noted in our report No. 2023-183. Our audit disclosed the following:

Finding 1: As similarly noted in our report No. 2021-096, Department controls over mobile device assignment, use, and disposal and for the retention of text messages in accordance with State law need improvement.

Finding 2: Security controls over mobile device utilization continue to need improvement to ensure the confidentiality, integrity, and availability of Department data and information technology (IT) resources.

Finding 3: As similarly noted in our report No. 2021-096, Department controls need enhancement to ensure that purchasing card transactions are timely processed and purchasing card activity is periodically reviewed for compliance with Department and State purchasing card program policies and procedures.

Finding 4: The Department did not always timely cancel purchasing cards upon a cardholder's separation from Department employment. Additionally, Department controls for monitoring the reasonableness of purchasing cardholder assignments and timely conducting accountholder activity reviews need improvement. A similar finding was noted in our report No. 2021-096.

Finding 5: Department policies and procedures for the surplus IT equipment data sanitization and disposal process need enhancement and Department records continued to not evidence the specific surplus IT equipment sanitized and disposed of by a vendor.

Finding 6: Department motor vehicle usage logs did not always include to and from location or official travel purpose information. A similar finding was noted in our report No. 2023-183.

Finding 7: As similarly noted in our report No. 2023-183, the Department did not always ensure that contract managers completed required training or obtained the required certification.

BACKGROUND

The primary functions of the Department of State (Department) are to collect the State's important records, preserve the State's rich historical and cultural heritage, promote economic development through a business-friendly corporate filing environment, facilitate public access to State Government, and provide oversight to ensure fair and accurate elections. To execute its mission, the Department is organized into the Office of the Secretary, the Office of Election Crimes and Security, and six divisions: the Division of Administrative Services, Division of Corporations, Division of Arts and Culture, Division of Elections, Division of Historical Resources, and Division of Library and Information Services. To perform

its functions, the Legislature appropriated approximately \$232 million¹ to the Department for the 2024-25 fiscal year and authorized 457 positions.²

FINDINGS AND RECOMMENDATIONS

Finding 1: Mobile Devices

The Department utilizes mobile devices, such as cellular telephones, smartphones, tablets, and mobile Internet hotspot devices, to execute its statutory responsibilities. Department of Financial Services (DFS) guidelines³ specify that State agencies are to establish internal controls over the use of State-owned or leased cellular telephones to ensure that related payments serve an authorized public purpose. The guidelines and Department policy⁴ further specified that billing options should be reviewed to determine that the most economical option was selected, considering the specific usage requirements of the cellular telephone user. Pursuant to Department policy, each month, employees assigned a mobile device were to review the Department's mobile device bill, identify all personal calls, sign and complete a *Monthly Cellular Telephone Invoice Review* form (Review form) certifying the extent of personal usage, and pay within 30 days for personal calls totaling \$1 or more.

Department policies and procedures⁵ established standards for managing, securing, and tracking Department mobile devices. To promote accountability over Department mobile devices, Department procedures⁶ required the Division of Administrative Services (Division), Bureau of General Services Telecommunications Assistant to maintain a master tracker identifying all Department mobile device assignments. Department procedures also required the Bureau's General Services Manager to conduct quarterly audits of mobile device plans, usage, and devices to assess the appropriateness and cost effectiveness of mobile device assignments and billing options. To promote the appropriate disposal of mobile devices, it is important to follow an orderly and controlled disposal process that includes controls for properly safeguarding mobile devices before disposal and removing (sanitizing) sensitive and confidential information from the devices.

State law⁷ requires the Department to maintain public records in accordance with the records retention schedule⁸ established by the Department, Division of Library and Information Services. The schedule specifies that the retention periods for electronic communications, including text messages, are based on the content, nature, and purpose of the messages. Some of the purposes include administrative correspondence (3 fiscal years), program and policy development correspondence (5 fiscal years), and

¹ Chapter 2024-231, Laws of Florida.

² Chapters 2024-231 and 2024-251, Laws of Florida.

³ DFS *Reference Guide for State Expenditures*.

⁴ Department *Cellular Telephone Usage Policy*.

⁵ Department *Cellular Telephone Usage Policy* and Department *Cellular Telephone Usage Procedure*.

⁶ Department *Cellular Telephone Usage Procedure*.

⁷ Section 119.021(2)(b), Florida Statutes.

⁸ State of Florida *General Records Schedule GS1-SL for State and Local Government Agencies*.

transitory messages, which are to be maintained until obsolete, superseded, or the administrative value is lost.

During the period July 2023 through January 2025, the Department expended \$79,219 for mobile devices and related services and, as of January 2025, had 125 mobile devices. In our report No. 2021-096 (Finding 9), we noted that Department controls over mobile device assignment, use, and disposal and for the retention of text messages in accordance with State law needed improvement. As part of our follow-up audit procedures, we found that Department mobile device controls continue to need improvement. Specifically:

- Department policies and procedures did not accurately reflect mobile device oversight responsibilities, which may have contributed to the subsequent issues noted on audit.
- The Department still did not maintain a list of Department mobile devices assigned to employees. According to Department management, Department policies and procedures had not been updated to accurately reflect the Department business unit responsible for maintaining the Department master tracker of mobile device assignments, and thus no list was maintained.
- The Department could not provide for audit monthly personal usage certifications from employees assigned a Department mobile device. As part of our audit, we requested Review forms evidencing the extent of personal usage and required reimbursement amounts for the 36 applicable employees noted on the Department's mobile devices invoice for the billing period November 24, 2024, through December 23, 2024. In response to our audit inquiry, Department management indicated that the Department employee responsible for obtaining the Review forms had not consistently obtained the completed forms during the period July 2024 through March 2025, and that the Department was in the process of obtaining any forms missing since July 2024 from employees who had not separated from Department employment. According to Department management, the employee responsible for obtaining the monthly Review forms was no longer employed by the Department.
- The Department did not conduct quarterly audits of mobile device plans, usage, and devices to assess the appropriateness and cost effectiveness of mobile device assignments and billing options. During the period February 2024 through January 2025, the Department paid charges totaling \$2,519 for 13 unassigned or locked mobile devices. Additionally, while maintaining services for those 13 mobile devices, during the 12-month period ended January 31, 2025, the Department entered into 2-year contracts for 45 new mobile devices with monthly costs totaling \$1,639. In response to our audit inquiry, Department management indicated that Department policies and procedures had not been updated to reflect that the responsibility for conducting the quarterly audits had been transferred approximately 2 years earlier from the General Services Manager position to the Division's Network and Telecommunications Manager and, consequently, no such reviews had been performed.
- The Department still had not established sanitization procedures for Department mobile devices awaiting disposal and did not track the number of devices awaiting sanitization and disposal. Consequently, although Department management indicated that all mobile devices are sanitized prior to disposal, but that no devices had been recently disposed of, Department records did not evidence that mobile devices awaiting disposal had been sanitized. Subsequent to our audit inquiry, Department management created a listing showing that, as of April 11, 2025, the Department held 246 mobile devices awaiting disposal.
- The Department still did not retain text messages in accordance with State law and the State's records retention schedule. As similarly noted in our prior audit, according to Department management, text messaging capabilities were to be blocked on all Department mobile devices. However, our examination of Department records disclosed that 95 Department employees sent

or received 5,217 text messages during the period July 2023 through January 2025. In response to our audit inquiry, Department management provided documentation evidencing that, as of September 2023, the mobile devices provider had blocked text messaging capability for 44 mobile device numbers. However, our review of the December 2024 and January 2025 mobile devices invoices disclosed that an employee had continued to send or receive text messages using one of the phones for which the text messaging capabilities had been reportedly blocked.

Effective controls, including current policies and procedures, for managing the assignment and use of Department mobile devices would reduce the risk that the Department may incur unnecessary mobile device charges and that mobile devices may be used for unauthorized purposes. In addition, periodically reviewing mobile device plans, usage, and devices for appropriateness and cost effectiveness and establishing procedures for sanitizing mobile devices prior to disposal would strengthen Department management's ability to prudently manage Department mobile devices and protect the confidentiality and integrity of Department data and resources. Absent the retention of text messages in accordance with State law, the Department's ability to provide access to public records is diminished.

Recommendation: We again recommend that Department management enhance mobile device controls to ensure that:

- Department policies and procedures accurately reflect mobile device oversight responsibilities.
- Department records evidence all Department mobile devices assigned to employees.
- Monthly personal usage certifications are obtained from all employees assigned a Department mobile device.
- Mobile device assignments, plans, and usage are periodically reviewed for appropriateness and cost-effectiveness.
- Department records evidence the sanitization of mobile devices prior to disposal.
- Any text messages are retained in accordance with State law and the State's records retention schedule.

Finding 2: Mobile Device Security Controls

Security controls are intended to protect the confidentiality, integrity, and availability of data and information technology (IT) resources. Our audit procedures disclosed that certain security controls related to mobile device utilization need improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising Department data and IT resources. However, we have notified appropriate Department management of the specific issues.

Without appropriate security controls related to the use of mobile devices by Department employees and contractors, the risk is increased that the confidentiality, integrity, and availability of Department data and IT resources may be compromised. A similar finding was communicated to Department management in connection with our report No. 2021-096 (Finding 10).

Recommendation: We again recommend that Department management enhance certain security controls related to employee and contractor use of mobile devices to ensure the confidentiality, integrity, and availability of Department data and IT resources.

Finding 3: Purchasing Card Transactions and Reviews

As a participant in the State's purchasing card program, the Department is responsible for implementing key controls, including procedures for timely processing purchasing card transactions and monitoring purchasing card activity. According to Department policy,⁹ accountholders were to receive pre-approval from their direct supervisor for all purchases. Within 5 business days of purchase, evidence of pre-approval, receipts, and any other supporting documentation was to be uploaded into Works,¹⁰ within 2 business days approvers were to sign-off on the transaction in Works, and within 3 business days accountants were to approve the transaction in Works. The Department was to reimburse the State's purchasing card vendor within 10 calendar days of receiving a charge. According to the Department's *Agency Purchasing Card Program Plan* (Agency Plan), the Department's Scoped Administrator (SA), or the backup SA, was responsible for conducting a compliance review of selected purchasing card transactions within 15 calendar days of the end of each month to assess whether the transactions complied with Department and State purchasing card program policies and procedures.

We analyzed Department purchasing card transactions, examined Department records, and evaluated the adequacy of Department purchasing card controls and noted that Department controls need enhancement to promote the timely processing of purchasing card transactions and monitoring of purchasing card activity. Specifically:

- During the period July 1, 2023, through January 20, 2025, the Department reimbursed the State's purchasing card vendor late for 1,797 purchasing card charges, totaling \$422,330. Specifically, the vendor was reimbursed 11 to 138 calendar days (an average of 28 calendar days) after the purchasing card charges were received. In response to our audit inquiry, Department management indicated that coding errors and insufficient budget releases for submitted transactions contributed to the reimbursement delays.
- Monthly purchasing card transaction compliance reviews were not conducted during the period July 2023 through January 2025. According to Department management, the SA position was vacant during this period and backup employees only handled ordering purchasing cards and updating card profiles.

Timely processing purchasing card charges and reviewing purchasing card activity would provide Department management greater assurance that purchasing card activity is in accordance with Department management's expectations and the requirements of the State purchasing card program. A similar finding was noted in our report No. 2021-096 (Finding 13).

Recommendation: We again recommend that Department management strengthen purchasing card oversight controls to ensure that purchasing card transactions are timely processed and purchasing card activity is periodically reviewed for compliance with Department and State purchasing card program policies and procedures.

⁹ Department *Accountholder Purchasing Card Policy*.

¹⁰ Works is the State's purchasing card system.

Finding 4: Purchasing Card Controls

Controls for approving the issuance of purchasing cards and timely canceling purchasing cards upon a cardholder's separation from Department employment or when an employee no longer requires a purchasing card to perform their job duties promote the appropriate administration of the State's purchasing card program. According to the Department's Agency Plan, immediately upon notification, the SA was to cancel the purchasing card of an employee whose employment with the Department had terminated. Additionally, the Agency Plan required the SA to review accountholder activity annually, and cards with no activity within the last year required appropriate approval to be retained. As of January 2025, the Department had 55 active purchasing cards and purchasing card charges totaled \$689,019 during the period July 2023 through January 2025.

As part of our audit, we examined Department purchasing card records and evaluated the adequacy of Department controls for purchasing card issuances, activity, and cancellations during the period July 2023 through January 2025. As similarly noted in our report No. 2021-096 (Finding 14), our audit procedures disclosed that Department purchasing card controls need improvement. Specifically, we noted that:

- The Department did not timely cancel the purchasing cards for 16 of the 29 cardholders who separated from Department employment during the period July 2023 through January 2025. Specifically, the purchasing cards were canceled 1 to 28 calendar days (an average of 6 calendar days) after the cardholders' employment separation dates, including one card canceled 5 days after the cardholder was involuntarily terminated from employment. In response to our audit inquiry, Department management indicated that delays in the processing of separation paperwork, incomplete separation paperwork, and the SA position being vacant contributed to the delays in purchasing card cancellations. Although our audit tests did not disclose any inappropriate charges incurred subsequent to the cardholders' separation from Department employment, prompt cancellation of purchasing cards upon a cardholder's separation from Department employment reduces the risk that unauthorized purchases will be made.
- As of January 31, 2025, no charges had been made on 5 of the 55 active purchasing cards for periods ranging from 1 to 5 years, and the purchasing cards had been retained by the cardholder without the required approval. Consequently, the basis for these cardholders to retain a purchasing card was unclear and unsupported. According to Department management, the 5 purchasing cards were retained without the required approval because the SA position was vacant. Subsequent to our audit inquiry, in April 2025, Department management deactivated 4 of the 5 purchasing cards and indicated that the remaining purchasing card was needed by the cardholder to perform their job responsibilities. Absent effective controls to periodically monitor and document the necessity of purchasing card assignments, the risk of unauthorized purchasing card use is increased.
- During the period July 2023 through January 2025, the Department did not perform annual accountholder activity reviews in accordance with the Agency Plan. In response to our audit inquiry, Department management indicated that annual accountholder activity reviews were not conducted because the SA position was vacant. Controls to timely review accountholder activity for compliance with Agency Plan requirements would promote the effective administration and use of Department purchasing cards.

Recommendation: We again recommend that Department management promptly cancel purchasing cards upon a cardholder's separation from Department employment and strengthen procedures to ensure the periodic monitoring of and documented basis for the continued need

for purchasing card assignments. We also recommend that Department management take steps to ensure that periodic reviews of accountholder activity are timely performed.

Finding 5: Surplus IT Equipment Sanitization and Disposition Documentation

In performing their assigned duties, Department employees routinely access confidential and sensitive data using IT equipment. Effective security controls include established policies and procedures for proper data sanitization and disposal of surplus IT equipment (i.e., computers, servers, and other equipment or media) containing confidential and sensitive data. Additionally, the Department should maintain complete and accurate records documenting the data sanitization and IT equipment disposal process.

The Department utilized a vendor to sanitize and dispose of surplus IT equipment with data storage capabilities and obtained from the vendor a *Certificate of Data Destruction and Recycling* as evidence that the sanitization and disposal process had been completed. According to Department records, during the period July 2023 through January 2025, the Department disposed of 262 items identified as surplus IT equipment with data storage capabilities, including computers, scanners, and Ethernet switches.

In our report No. 2021-096 (Finding 16), we noted that the Department had not established policies and procedures for the surplus IT equipment data sanitization and disposal process, nor did Department records evidence the specific surplus IT equipment sanitized and disposed of by a vendor. As part of our follow-up audit procedures, we reviewed Department policies and procedures and examined property disposition records and again noted that Department policies and procedures did not address the Department's surplus IT equipment data sanitization and disposition process. In response to our audit inquiry, Department management created and provided a one-page bulleted outline of basic processes for removing hardware from computers when computers are scheduled to be reused and when computers are scheduled for surplus. However, the procedures were not comprehensive to promote accountability and reduce the risk that Department data may be compromised. For example, the procedures did not require staff to maintain documentation evidencing the Department surplus IT equipment items that were sanitized and disposed of.

Additionally, we noted that the *Certificate of Data Destruction and Recycling* did not include sufficient information, such as manufacturer, model, and serial number, to identify the specific surplus IT equipment that had been sanitized and disposed of. According to Department management, in practice, the procedures created subsequent to our audit inquiry were used by the Department during the period July 2023 through January 2025. Additionally, Department management indicated that the *Certificate of Data Destruction and Recycling* was the only documentation of the sanitization and disposition process required to be provided by the vendor. Notwithstanding, neither the procedures nor the *Certificate of Data Destruction and Recycling* promoted or demonstrated the appropriate sanitization of specific and applicable surplus IT equipment.

Effective policies and procedures, including documentation requirements, for managing the surplus IT equipment data sanitization and disposition process help promote accountability and reduce the risk that Department data may be compromised. Without complete records evidencing the specific surplus IT equipment sanitized and disposed of, Department management lacks the information necessary to

ensure proper accountability for and control over surplus IT equipment and any confidential or sensitive information contained therein.

Recommendation: We recommend that Department management enhance policies and procedures for the surplus IT equipment data sanitization and disposal process to include all steps of the process and related documentation requirements. We also recommend that Department management work with the vendor to ensure that Department records adequately evidence the sanitization and disposition of each surplus IT equipment form.

Finding 6: Motor Vehicle Usage Logs

State law¹¹ and Department of Management Services (DMS) rules¹² provide that State-owned motor vehicles are to be used effectively, efficiently, and only for official State business. To ensure the proper management and control of Department motor vehicles in accordance with State law and DMS rules, the Department maintained monthly motor vehicle usage logs (usage logs) that contained daily vehicle usage information such as to and from locations, the official travel purpose, and ending mileage. During the period July 2023 through January 2025, the Department maintained and used at some point 22 motor vehicles and, for these vehicles, 410 monthly usage logs were required to be completed.

As part of our audit, we examined 55 of the 410 monthly usage logs and noted that Department usage logs were not always complete. Specifically, 9 monthly usage logs for 3 motor vehicles with recorded mileage ranging from 33 to 326 miles did not include location or official travel purpose information. In response to our audit inquiry, Department management indicated that the 3 motor vehicles were utilized by Department personnel to transport records to and from various State agencies within Tallahassee, and that Department personnel described the destination of travel as “vicinity” in the vehicle usage logs rather than providing the specific to and from locations. Subsequent to our audit inquiry, Department management indicated that they instructed Department personnel, effective May 2025, to use point-to-point destinations when completing motor vehicle usage logs.

Maintaining complete motor vehicle usage logs would better demonstrate that Department motor vehicles are used efficiently, effectively, and only for authorized purposes. A similar finding was noted in our report No. 2023-183 (Finding 4).

Recommendation: We again recommend that Department management enhance controls to ensure that complete information is recorded in motor vehicle usage logs.

Finding 7: Contract Manager Training

State law¹³ requires that, for each contractual services contract, the Department designate an employee to function as contract manager who is responsible for enforcing performance of the contract terms and conditions and serving as a liaison with the contractor. Additionally, State law¹⁴ specifies that each contract manager responsible for contracts in excess of \$35,000 must, at a minimum, complete training

¹¹ Section 287.16(1), Florida Statutes.

¹² DMS Rules, Chapter 60B-1, Florida Administrative Code.

¹³ Section 287.057(15)(a), Florida Statutes.

¹⁴ Section 287.057(15)(b), Florida Statutes.

conducted by the Chief Financial Officer (CFO) for accountability in contracts and grant management. State law¹⁵ further specifies that each contract manager responsible for contracts in excess of \$100,000 annually must, in addition to the accountability in contracts and grant management training conducted by the CFO, complete training in contract management and become a certified contract manager within 6 months of being assigned as contract manager.

According to the Florida Accountability Contract Tracking System, the Department was responsible for 18 contracts, totaling approximately \$13.8 million, that were executed and active during the period September 23, 2023, through January 31, 2025, and for which statutory contract manager training requirements applied. As part of our audit, we inquired of Department management and examined Department contract manager training records and noted that one contract manager who was responsible for 8 of the 18 contracts, including contracts with original contract amounts in excess of \$100,000 and totaling \$1.4 million, had not completed the required CFO training for accountability in contracts and grants management and was not a certified contract manager. In response to our audit inquiry, Department management indicated that the required training did not have to be completed by the contract manager because the contracts were for services exempt from statutory competitive procurement requirements.¹⁶ Notwithstanding, State law does not provide any exceptions to the requirement that managers of contracts in excess of the statutory thresholds complete the specified training.

Completion of the statutorily required contract training and contract manager certification by all applicable contract managers would provide the Department greater assurance that contracts are appropriately managed, and that contract terms and conditions are properly enforced. A similar finding was noted in our report No. 2023-183 (Finding 5).

Recommendation: We recommend that Department management ensure that all applicable contract managers complete the training and achieve the certification specified by State law.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, the Department had taken corrective actions for the applicable findings included in our report Nos. 2021-096 and 2023-183.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2025 through May 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions

¹⁵ Section 287.057(15)(c), Florida Statutes.

¹⁶ Section 287.057, Florida Statutes.

based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit of the Department of State (Department) focused on the progress the Department had made, or was in the process of making, in addressing Findings 9, 10, 13, 14, and 16 noted in our report No. 2021-096, and Findings 4 through 6 noted in our report No. 2023-183. For those areas, the objectives of the audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed into operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in internal controls significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Department policies and procedures, and other guidelines, and interviewed Department personnel to obtain an understanding of applicable Department mobile device, purchasing card, property management, motor vehicle, and contract controls.
- Inquired of Department management regarding whether the Department made any expenditures or entered into any contracts under the authority granted by an applicable state of emergency during the period July 1, 2021, through February 25, 2025, that either expired or exceeded 1 year. Analyzed Department financial records related to the \$9,724 in expenditures made under a state of emergency during the period to determine whether the expenditures appeared reasonable in relation to the declared emergency and Department responsibilities.
- Evaluated Department actions to correct Findings 9, 10, 13, 14, and 16 noted in our report No. 2021-096. Specifically, we:
 - Reviewed Department policies and procedures and examined Department records to determine whether the Department maintained a list of Department mobile devices assigned to employees.
 - Reviewed Department policies and procedures and performed inquiries of Department management to determine whether the Department obtained monthly personal usage certifications from employees assigned a Department mobile device in accordance with Department policies and procedures.
 - Reviewed Department policies and procedures and performed inquiries of Department management to determine whether the Department designated a mobile device administrator to timely conduct periodic reviews of mobile device assignments and plans for appropriateness and cost-effectiveness.
 - Reviewed Department policies and procedures and performed inquiries of Department management to determine whether periodic reviews of Department mobile device assignments and plans were timely conducted and appropriately documented.
 - Reviewed Department policies and procedures and examined Department records to determine whether the Department had established controls to adequately ensure that upon an employee's separation from Department employment Department mobile devices were returned with their respective passcodes.
 - Examined Department records for the 20 Department mobile devices that were collected from employees who separated from Department employment during the period July 2023 through January 2025 to determine whether the devices were unlocked and returned in accordance with Department policies and procedures.
 - Examined Department records to determine whether the Department maintained in its inventory, or appropriately disposed of, the 20 Department mobile devices collected from employees who separated from Department employment during the period July 2023 through January 2025.
 - Reviewed Department policies and procedures to determine whether the Department established sanitization procedures for Department mobile devices. Additionally, inquired of Department management and examined records to determine whether the Department tracked the number of Department mobile devices requiring sanitization prior to disposal.
 - Interviewed Department management and reviewed Department policies and procedures to determine whether, for 95 Department employees who sent or received 5,217 text and multimedia messages using 98 Department mobile devices during the period July 2023 through January 2025, the messages were retained in accordance with State law and State records retention guidelines.

- Evaluated the adequacy of Department mobile device security controls.
- Reviewed Department policies and procedures and examined Department records for 36 background screening expenditures, totaling \$18,921, made during the period July 2023 through January 2025 to determine whether the expenditures were made in accordance with Section 287.058(4), Florida Statutes.
- Examined Department records for 2,978 purchasing card transactions made during the period July 1, 2023, through January 20, 2025, to determine whether the Department timely processed purchasing card transactions.
- Reviewed Department policies and procedures and performed inquiries of Department management to determine whether the Department timely conducted monthly purchasing card transaction compliance reviews in accordance with Department policies and procedures.
- Examined Department records for the 29 purchasing cardholders who separated from Department employment during the period July 2023 through January 2025 to determine whether the Department timely canceled the employees' purchasing cards upon the cardholders' separation from Department employment and whether any charges were made to the purchasing cards subsequent to the cardholders' separation from Department employment.
- Evaluated the reasonableness of the assignment of five purchasing cards to Department employees who, as of January 2025, had not made any purchasing card charges within the prior 12 months.
- Reviewed Department policies and procedures and performed inquiries of Department management to determine whether the Department timely performed annual purchasing cardholder activity reviews in accordance with Department policies and procedures.
- Reviewed Department policies and procedures to determine whether Department management had established policies and procedures for the surplus information technology (IT) equipment data sanitization and disposal process.
- Examined Department records for the 262 items identified as surplus IT equipment with data storage capabilities that were disposed of during the period July 2023 through January 2025 to determine whether Department records adequately evidenced the sanitization and disposition of each surplus IT equipment item.
- Evaluated Department actions to correct Findings 4 through 6 noted in our report No. 2023-183. Specifically, we:
 - From the population of 410 monthly motor vehicle usage logs required to be completed during the period July 2023 through January 2025, examined Department records for 55 selected monthly usage logs related to 22 motor vehicles to determine whether Department logs were accurate, complete, and timely reviewed.
 - Examined Department records for the seven Department contract managers responsible for managing contracts during the period September 23, 2023, through January 31, 2025, for which statutory contract manager training requirements applied to determine whether the contract managers had completed required training and certification in accordance with Section 287.057(15), Florida Statutes.
 - Examined Department records related to the eight noncompetitively procured contracts executed and managed by the Department during the period July 2023 through January 2025 to determine whether conflict of interest attestations were completed by all Department personnel who took part in the contract evaluation and selection process in accordance with Department policies and procedures and Section 287.057(21), Florida Statutes.

- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial "S".

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



FLORIDA DEPARTMENT of STATE

RON DESANTIS
Governor

CORD BYRD
Secretary of State

August 14, 2025

Sherrill F. Norman
Auditor General
Claude Denson Pepper Building, Suite G74
111 W. Madison Street
Tallahassee, FL 32399-1540

Dear Ms. Norman:

Enclosed is the Florida Department of State's response to the preliminary and tentative audit findings and recommendations pertaining to the Auditor General's operational audit of the Department of State.

If you have any questions, please call David Ulewicz, Inspector General, at 850-245-6195.

Thank you for the opportunity to respond.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cord Byrd", written over a circular stamp or seal.

Cord Byrd
Secretary of State

Enclosure

c: David Ulewicz, Inspector General
Jennifer Kennedy, Assistant Secretary of State

R.A. Gray Building • 500 South Bronough Street • Tallahassee, Florida 32399
850.245.6500 • 850.245.6125 (Fax) • DOS.MyFlorida.com

Department of State
Response to Preliminary and Tentative Audit Findings
Auditor General Audit
August 13, 2025

Finding 1: Mobile Devices

As similarly noted in our report No. 2021-096, Department controls over mobile device assignment, use, and disposal and for the retention of text messages in accordance with State law need improvement.

Recommendation: We again recommend that Department management enhance mobile device controls to ensure that:

- Department policies and procedures accurately reflect mobile device oversight responsibilities.
- Department records evidence all Department mobile devices assigned to employees.
- Monthly personal usage certifications are obtained from all employees assigned a Department mobile device.
- Mobile device assignments, plans, and usage are periodically reviewed for appropriateness and cost-effectiveness.
- Department records evidence the sanitization of mobile devices prior to disposal.
- Any text messages are retained in accordance with State law and the State's records retention schedule.

Department Response: Responsibilities for phone management were and are memorialized as tacit job duties within the Department's phone administrator job description. The Department has modified the governing policies and procedures reflecting mobile device oversight.

Before the audit, the Department utilized the vendor portal to track mobile device assignments. During the audit period, two vendors were used. In both the vendor administration sites activated numbers must have a correlated username and that method was used as the roster for assigned phones. Post audit, the Department has opted to implement a product called In-Tune. Currently, all Department mobile devices are enrolled in In-Tune and before any new phone is assigned, it is enrolled into In-Tune. The In-Tune solution was fully implemented by May 27, 2025.

The Department has and will continue to collect personal usage certifications from all employees in accordance with the Department's Policy and Procedure. The situation described in the audit was a one-time issue that has been dealt with.

The Department has and continues to periodically review available plans. In addition, the Department also monitors usage to ensure assigned phones are being utilized.

The Department has always made sure to sanitize any device capable of storing data prior to disposal. Using the new software, the In-Tune management software sanitizes (wipes) the phone and records the action within its management system.

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Text messaging with Department equipment has always been disallowed by policy. The arrangement with the phone vendor was to not allow texting, however the vendor did not completely enforce this. The Department procured a software tool to enforce the posture. The implementation of the In-Tune phone management system has been configured to not allow texting when a phone is enrolled into the system. The Department has blocked all subsequent texting by policy and by software. A review of the last month of phone usage confirms no texting is occurring.

Finding 2: Mobile Device Security Controls

Security controls over mobile device utilization continue to need improvement to ensure the confidentiality, integrity, and availability of Department data and information technology (IT) resources.

Recommendation: We again recommend that Department management enhance certain security controls related to employee and contractor use of mobile devices to ensure the confidentiality, integrity, and availability of Department data and IT resources.

Department Response: The Department has enhanced certain security controls related to employee and contractor use of mobile devices to ensure the confidentiality, integrity, and availability of Department data and IT resources through the implementation of In-Tune.

Finding 3: Purchasing Card Transactions and Reviews

As similarly noted in our report No. 2021-096, Department controls need enhancement to ensure that purchasing card transactions are timely processed and purchasing card activity is periodically reviewed for compliance with Department and State purchasing card program policies and procedures.

Recommendation: We again recommend that Department management strengthen purchasing card oversight controls to ensure that purchasing card transactions are timely processed and purchasing card activity is periodically reviewed for compliance with Department and State purchasing card program policies and procedures.

Department Response: Purchasing Card oversight controls are and have been in place and both the Scoped Administrator and back-up administrator positions are filled. Most of the late transactions were due to a lack of release in the account for which the card was issued. Payments must be reconciled with release. The Department will not exceed release; in fact, it cannot. Many of these accounts were one to 10 days late and an average of 28 days. This is within reason when release issues occur.

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Finding 4: Purchasing Card Controls

The Department did not always timely cancel purchasing cards upon a cardholder's separation from Department employment. Additionally, Department controls for monitoring the reasonableness of purchasing cardholder assignments and timely conducting accountholder activity reviews need improvement. A similar finding was noted in our report No. 2021-096.

Recommendation: We again recommend that Department management promptly cancel purchasing cards upon a cardholder's separation from Department employment and strengthen procedures to ensure the periodic monitoring of and documented basis for the continued need for purchasing card assignments. We also recommend that Department management take steps to ensure that periodic reviews of accountholder activity are timely performed.

Department Response: Proper procedures are and have been in place. Both the Scoped Administrator and back-up administrator positions are filled. Many of these cards with no charges were issued to employees that travel as a part of their duties, Cards were issued for that purpose. It is not effective to issue a card when travel is about to occur, and the Department cannot predict when travel will be deemed necessary. It can be as much as year or longer before travel may occur and some years there are restrictions on travel. The Department will continue to issue cards to traveling employees and make notation about that continued need annually

Finding 5: Surplus IT Equipment Sanitization and Disposition Documentation

Department policies and procedures for the surplus IT equipment data sanitization and disposal process need enhancement and Department records continued to not evidence the specific surplus IT equipment sanitized and disposed of by a vendor.

Recommendation: We recommend that Department management enhance policies and procedures for the surplus IT equipment data sanitization and disposal process to include all steps of the process and related documentation requirements. We also recommend that Department management work with the vendor to ensure that Department records adequately evidence the sanitization and disposition of each surplus IT equipment form.

Department Response: The Department has always had policies and procedures for the surplus of IT equipment and the disposal process. The procedures have been codified to present the steps always taken for decommission, sanitization, and surplus. The modified procedure will augment the Department's existing process and will fulfil the evidence for the sanitization and disposition of each piece of surplus IT equipment.

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Finding 6: Motor Vehicle Usage Logs

Department motor vehicle usage logs did not always include to and from location or official travel purpose information. A similar finding was noted in our report No. 2023-183.

Recommendation: We again recommend that Department management enhance controls to ensure that complete information is recorded in motor vehicle usage logs.

Department Response: The Department has proper procedures for the completion of motor vehicle logs, however the vehicles assigned for delivering records throughout the city were being marked as vicinity mileage in the Capitol area. The Department saw this as a reasonable way to record the activity. This activity was building to building in the Capitol Center delivering or picking up records. Mileages are often in tenths of a mile. However, the logs are now being completed on a point to point basis regardless of the distance.

Finding 7: Contract Manager Training

As similarly noted in our report No. 2023-183, the Department did not always ensure that contract managers completed required training or obtained the required certification.

Recommendation: We recommend that Department management ensure that all applicable contract managers complete the training and achieve the certification specified by State law.

Department Response: The contract manager completed the CFO required Florida Certified Contract Manager training on June 10, 2025.

c: David Ulewicz, Inspector General
Jennifer Kennedy, Assistant Secretary of State