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RICK SCOTT
GOVERNOR

STATE OF FLORIDA
Office of the Governor

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December 21, 2011

The Honorable Rick Scott
Governor of the State of Florida
The Capitol, PL 05
Tallahassee, FL 32399

Dear Governor Scott:

Section 20.055(5)(h), Florida Statutes, requires each inspector general to monitor the implementation of the response of the state agency to any report on the agency issued by the Auditor General. The inspector general is also required to provide a written response to the applicable agency head on the status of corrective actions taken.

In June 2011, the Auditor General released Report Number 2011-196, Audit of the Local Government Financial Reporting System. Finding Number 2 was applicable to the Executive Office of the Governor's responsibilities specified in Section 218.503, Florida Statutes, the Local Governmental Entity, Charter School, and District School Board Financial Emergencies Act.

In accordance with the requirements of Section 20.055, Florida Statutes, we are providing an update on the status of the implementation of the recommendation. The results of our follow-up review disclosed that corrective actions have been taken, but will not be fully completed until June 30, 2012. Another follow-up review will be conducted and a further update will be provided by July 31, 2012.

I am available at your convenience to discuss this matter further.

Sincerely,

Melinda M. Miguel
Chief Inspector General

Enclosure

cc: Kathy Dubose, Legislative Auditing Committee
Steve MacNamara, Chief of Staff
David Martin, Auditor General
Charles Trippe, General Counsel

**Executive Office of the Governor, Office of the Chief Inspector General
Six-Month Follow-up for Auditor General Report No. 2011-196
Performance Audit of the
Local Government Financial Reporting System
Report Dated June 2011**

Finding No. 2: Local Governmental Entities in a State of Financial Emergency¹

Thirteen entities declared to be in a state of financial emergency prior to the enactment of Chapter 2004-305, Laws of Florida, and two other entities have not met a condition since the 2006-07 fiscal year but EOG had not, as of March 2011, released these entities from their financial emergency status.

Recommendation:

EOG should determine whether the 15 entities that have not been reported as meeting a condition specified in Section 218.503(1), Florida Statutes, since the 2006-07 fiscal year and the Town of Yankeetown have established and are operating effective financial accounting and reporting systems and, if so, consider releasing them from their financial emergency status.

Response:

We concur with the recommendation. We have begun gathering the information needed to contact the affected entities identified by the auditors to determine their eligibility for release from financial emergency status. Hereafter, we will analyze the entities in financial emergency status on an annual basis to determine which entities should be considered for release.

Description of all corrective action implemented, partially implemented, and scheduled but not implemented:

We have contacted the affected entities identified by the auditors. The entities are submitting the information needed to determine their eligibility for release from financial emergency status. We will analyze the information and obtain the necessary approvals so eligible entities can be released no later than June 30, 2012.

Corrective Action Status (<i>completed, partially completed, not started yet</i>)	Planned Completion Date (if not completed)	Responsible Staff
Partially Completed December 21, 2011	June 30, 2012	Melinda Miguel, CIG Kim Mills, Director of Auditing

¹ Only Finding No. 2 applicable to the Executive Office of the Governor