

**JOINT LEGISLATIVE AUDITING COMMITTEE  
MEETING SUMMARY  
February 11, 2013**

**Members in attendance:**

Senator Joseph Abruzzo, Chair  
Representative Lake Ray, Vice Chair  
Senator Rob Bradley  
Representative Daphne D. Campbell  
Representative Gayle B. Harrell  
Senator Alan Hays  
Representative Daniel D. Raulerson  
Senator Jeremy Ring  
Representative Ray Rodrigues  
Senator Wilton Simpson  
Representative Cynthia A. Stafford

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**The agenda items were taken up in the following order:**

**Pursuant to s. 11.40(2), F.S., the Committee is expected to consider taking action against local governments that have failed to file an annual financial report and/or annual financial audit report (if required) due June 30, 2012, or earlier**

Debbie White, CPA, of the Committee staff, explained the statutory requirements for local governments to file required financial reports. The Committee was notified by the Department of Financial Services and the Auditor General of the local governments that had failed to file an annual financial report and/or an annual financial audit for the 2010-11 fiscal year. Subsequently, the Committee staff sent a certified letter to 19 municipalities, 29 independent special districts, and 27 dependent special districts informing them of the reporting requirement and possible Committee action.

Rep. Rodrigues moved that the Committee accept staff recommendations for the municipalities and special districts on Lists 1 through 4 and direct staff to contact the Department of Revenue and the Department of Financial Services or the Department of Economic Opportunity, as appropriate, and direct them to proceed with the provisions of Section 11.40(2), Florida Statutes.

He further moved that the Chair, with the consent of the Vice Chair, be permitted to delay action against the entities on Lists 1, 2 and 3 if additional

information is brought to their attention that should be considered in determining the effective date of the Committee's action.

Staff shall deliver a copy of any such decision to the members of the Committee, the President of the Senate, and the Speaker of the House.

**List 1: Municipalities -**

<i>Name</i>	<i>County</i>	<i>Staff Recommendation</i>
Town of Mayo	Lafayette	Take action by 2/20/13
Town of Montverde	Lake	Take action on 3/30/13 if not received
Town of Noma	Holmes	Take action on 3/30/13 if not received
City of Weeki Wachee	Hernando	Continue action
Town of Westville	Holmes	Take action on 3/30/13 if not received

**List 2: Special Districts (Independent)<sup>1</sup> -**

<i>Name</i>	<i>County</i>	<i>Staff Recommendation</i>
Baker Fire District	Okaloosa	Discontinue action re 2009-10 audit report
Bermont Drainage District	Charlotte	Take action by 2/20/13
Children's Services Council of Alachua Co.	Alachua	No action
Duval Soil & Water Conservation District	Duval	Take action by 2/20/13
Hollywood Beach CDD I	Broward	Take action by 2/20/13
New River CDD	Pasco	Take action on FY 2010-11 financial reports by 2/20/13
Pembroke Harbor CDD	Broward	Take action by 2/20/13
Polk Soil & Water Conservation District	Polk	Take action by 2/20/13
River Bend CDD	Hillsborough	Take action by 2/20/13
RiverPark CDD	Hillsborough <sup>2</sup>	Take action by 2/20/13
South Fork East CDD	Hillsborough	Take action by 2/20/13

**List 2: Special Districts (Dependent) -**

<i>Name</i>	<i>County</i>	<i>Staff Recommendation</i>
City of Perry CRA	Taylor	No action
Winter Park Housing Authority	Orange	Take action by 2/20/13

**List 3: Municipalities and Special Districts -**

<i>Name</i>	<i>County</i>	<i>Staff Recommendation</i>
Town of Caryville	Washington	Delay action regarding AFRs for FY 2009-10 and FY 2010-11 and audit report for FY 2009-10 until 4/30/13
Highland Meadows CDD	Polk	Delay action until 4/30/13
City of Springfield	Bay	Delay action until 4/30/13
Springfield CRA	Bay	Delay action until 4/30/13

**List 4: Special Districts (Independent) -**

<i>Name</i>	<i>County</i>	<i>Staff Recommendation</i>
Bella Verde Golf CDD	Pasco	Delay action on FY 2010-11 financial reports
Buckeye Park CDD	Manatee	Delay action
CrossCreek CDD	Manatee	Delay action on FY 2010-11 financial reports
Hardee County Housing Authority	Hardee	Delay action
Lakeside Landings CDD	Polk	Delay action
Morningside CDD	Bay	Continue to delay action

<sup>1</sup> Wakulla Soil & Water Conservation District was included on this list in the meeting packet; however, the Committee was notified just prior to the meeting that the district had submitted the required report.

<sup>2</sup> River Park CDD was mistakenly listed as being located in Hillsborough County in the meeting packet; it is actually located in Okaloosa County

*List 4: Special Districts (Independent) (continued) -*

<u>Name</u>	<u>County</u>	<u>Staff Recommendation</u>
Oakmont Grove CDD	Polk	Delay action
Santa Rosa Bay Bridge Authority	Santa Rosa	Continue to delay action
Southbay CDD	Manatee	Continue to delay action
Southern Hills Plantation III CDD	Hernando	Delay action
Tidewater Preserve CDD	Manatee	Continue to delay action
Vizcaya in Kendall CDD	Broward	Continue to delay action
Westridge CDD	Polk	Delay action
Zephyr Ridge CDD	Pasco	Delay action

The motion was adopted without objection.

**Completion of any unfinished business from the previous Committee meeting**

● **Continuation of Okaloosa County Audit Discussion from February 4, 2013**

Ted Sauerbeck, Deputy Auditor General, provided a brief overview of the audit findings.

**Attendance**

The following officials and employees from Okaloosa County were in attendance:

Don Amunds, Chair, Okaloosa County Board of County Commissioners  
Dave Parisot, Vice Chair, Okaloosa County Board of County Commissioners  
Nathan Boyles, Commissioner, Okaloosa County Board of County Commissioners  
Kelly Windes, Commissioner, Okaloosa County Board of County Commissioners  
John Dowd, County Attorney  
James Curry, County Administrator  
Don Howard, Clerk of Circuit Court  
Gary Stanford, Finance Director

Also in attendance were:

Steve Hall, the former attorney for the Tourist Development Council (TDC)  
Tom Schulte, an attorney with Judkins, Simpson, High & Schulte, Attorneys at Law, attended the meeting as a representative of the Zimmerman Agency

Commissioner Wayne Harris, although requested to appear, did not attend the meeting. Also, no members of the TDC attended the meeting. The Committee had requested the TDC members who served during the audit period (May 2010-2012) and also were serving on February 4, 2013, (the date of the Committee's first hearing related to the audit) to attend the meeting.

## **Testimony**

Commissioners Amunds and Parisot were placed under oath before speaking and answering the Committee's questions.

James Curry, County Administrator, was also placed under oath and called upon to give explanations and answer questions.

Tom Schulte was placed under oath and called upon as a representative of the Zimmerman Agency.

After lengthy discussion, the Chair turned over the meeting to Vice Chair Ray in order to make a motion.

The Chair moved to direct the Auditor General to conduct an operational audit of the Okaloosa Board of County Commissioners and the Okaloosa County Clerk of the Circuit Court. Allowing the Auditor General to determine the scope and timing of the audit based on the availability of staff and deadlines for statutorily mandated assignment. The scope of the audit would be based on a risk assessment performed by the Auditor General with specific attention given to operations impacting budgetary controls, grants management, procurement, contracting, and vendor payment controls.

The motion was adopted without objection.

The Chair indicated that questions related to the Okaloosa County audit report would continue at the next meeting and that he intended to pursue issuing subpoenas to compel the attendance of selected individuals.

## **Presentation of the Auditor General's Operational Audit of the City of Hollywood and response from City officials**

Ted Sauerbeck, Deputy Auditor General, presented the audit findings.

Matthew Lalla, Hollywood Finance Director, answered questions.

Jeff Sheffel, City Attorney and attorney for the CRA, was placed under oath and spoke to the Committee and answered their questions.

**Pursuant to ss. 11.45(7) and 218.39(8), F.S., the Committee is expected to consider taking action against state universities, Florida College System institutions, district school boards, charter schools, and counties that have failed to take full corrective action in response to repeat audit findings**

Kathy DuBose, Committee Coordinator, explained the Committee's authority related to entities that have not corrected repeat audit findings. As required by recent legislation, the Auditor General notified the Committee of approximately 160 educational entities and County Constitutional Offices that had failed to correct an audit finding that had been included in three successive audits. The Committee may initially require a written statement from these entities explaining the action they intend to take or have taken in response to the finding(s). If a statement is not provided or is not sufficient, the Committee may require the chair of the governing board or the County Constitutional Officer to appear before the Committee to explain. (Note: See the Committee's meeting packet for 2/11/13 beginning on page 126 for the specific entities that were reported to the Committee.)

Rep. Stafford moved that the Committee staff send letters to the educational entities and counties that have been reported to the Committee by the Auditor General for failing to correct audit findings unless the audit for 2011-12 fiscal year is available and it shows the findings have been corrected.

These entities shall be required to provide a written statement to the Committee explaining why full corrective action has not been taken, or, if the governing body intends to take full corrective action, describing the corrective action to be taken and when it will occur.

The motion was adopted without objection.

Senator Bradley moved to rise.