

**JOINT LEGISLATIVE AUDITING COMMITTEE
MEETING SUMMARY
November 30, 2015**

Members in attendance:

**Representative Daniel Raulerson, Vice Chair
Senator Lizbeth Benacquisto
Senator Rob Bradley
Senator Audrey Gibson
Representative Debbie Mayfield
Representative Amanda Murphy
Representative Ray Rodrigues
Senator Wilton Simpson**

Senator Joseph Abruzzo and Representative Cynthia Stafford were excused

The agenda items were taken up in the following order:

The Committee is expected to consider taking action against educational and local governmental entities that have failed to take full corrective action in response to repeat audit findings, pursuant to ss. 11.45(7)(j) and 218.39(8), F.S.

Chair Raulerson called on Debbie White, CPA, Committee staff, to explain the list of educational entities and local governmental entities with audit findings that have been reported in at least three successive audit reports.

Senator Gibson moved that the Committee accept staff recommendations and direct staff to send a letter to the applicable entities that have been reported to the Committee by the Auditor General for failing to correct audit findings, unless a more recent audit report is available and it shows the findings have since 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.

In addition, the staff shall send a letter to any entity for which the Auditor General reports uncorrected audit findings to the Committee for late-filed 2013-14 audit reports and request a similar statement, unless a response has been previously provided and it appears that the entity has taken corrective action, to the extent possible, using existing resources.

The motion was adopted.

For the specific entities that may be required to submit a written statement, please refer to the Committee's [Meeting Packet](#), pages 44 – 276.

The Committee is expected to consider a request for an audit of Putnam County and the City of Palatka received from Representative Van Zant

Representative Charles Van Zant presented his request for an audit of Putnam County and the City of Palatka to the Committee.

Also speaking for the audit request were the following citizens:

Roxanne Weeks
LeRoy Kaymone, Sr.
Robert Bley
Timothy Houghtaling
John Spell
Larry Harvey, Putnam County Commissioner

Representative Mayfield moved that the Committee direct the Auditor General to perform an operational audit of Putnam County and the City of Palatka.

Pursuant to the authority provided in Section 11.45(3), *Florida Statutes*, the Auditor General shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of the citizens that have been provided are considered.

She further moved that the Committee allow the Auditor General to set the timing of the audit as audit resources are available, consistent with her work plan, so as not to jeopardize the timely completion of statutorily mandated assignments.

The motion was adopted.

The Committee is expected to consider a request for a follow-up audit of Leon County School District received from Representative Fresen

David Winialski, Legislative Assistant to Representative Erik Fresen, presented the request for a follow-up audit of the Leon County School District.

Representative Rodrigues moved that the Committee direct the Auditor General to perform a follow-up operational audit of the Leon County School District, focusing on the action taken to address the 28 findings included in Report 2015-088 and any other areas as determined by the Auditor General. This audit will not supersede the operational audit of the Leon County District Schools as required by s. 11.45 of the *Florida Statutes*.

The motion was adopted.

Presentation of the Auditor General’s Annual Report

Presenting the Auditor General’s Annual Report were Sherrill F. Norman, Auditor General; Matthew Tracy, Deputy Auditor General, State Government Audits; Greg Centers, Deputy Auditor General, Educational Entities and Local Governments; and Dorothy Gilbert, Deputy Auditor General, Information Technology Audits.

The Committee is expected to consider taking action against local governmental and educational entities that have failed to provide the Auditor General with: (1) significant items missing from audit reports submitted in accordance with s. 218.39, F.S., or (2) evidence of corrective action taken related to investment policies pursuant to ss. 11.40(2), 11.45(7)(b) and (d).

Chair Raulerson requested Senator Bradley to make a motion regarding the Committee taking action on local governmental and educational entities that have failed to provide items or information to the Auditor General.

Senator Bradley moved that the Committee accept staff recommendations for the entities that have failed to provide the Auditor General with required and requested items or information on lists 1, 2, and 3 in the packet, and direct staff to notify the appropriate entity to proceed with the provisions of s. 11.40(2), *Florida Statutes*.

He further moved that the Chair, with the consent of the Vice Chair, be permitted to delay action against any of these entities if additional information is brought to their attention that should be considered in determining the effective date of the Committee’s action.

**List 1: Local Governments
Significant Items Missing from Audit Report Not Yet Provided to Auditor General
(required by s. 11.45(7)(b), F.S.)**

	<i>Entity Name (County)</i>	<i>Item(s) Missing from FY 2013-14 Audit Report</i>	<i>Staff Recommendation</i>
1	Fanning Springs, City of (<i>Gilchrist and Levy</i>)	A written statement of explanation or rebuttal concerning the auditor’s comments included in the auditor’s management letter (required by Sections 10.557(3)(l) and 10.558(1), Rules of the Auditor General).	Take action if required item(s) are not provided by 1/29/16
2	Montverde, Town of (<i>Lake</i>)	A written statement of explanation or rebuttal concerning the auditor’s comments included in the auditor’s management letter (required by Sections 10.557(3)(l) and 10.558(1), Rules of the Auditor General). Reference numbers for each audit finding (required by Section 10.557(4)(b)7., Rules of the Auditor General).	
3	St. Lucie Village, Town of (<i>St. Lucie</i>)	Reference numbers for each audit finding (required by Section 10.557(4)(b)7., Rules of the Auditor General). For uncorrected audit findings from the preceding financial audit report, identification of those that were also included in the second preceding fiscal year audit report (required by Section 10.554(1)(i)1., Rules of the Auditor General).	
4	West Park, City of (<i>Broward</i>)	Independent auditor’s report that includes an opinion on the Schedule of Expenditures of Federal Awards (required by OMB Circular A-133 Section .505(a) and Section 10.557(3)(d) and (e)2., Rules of the Auditor General).	
5	Concorde Estates Community Development District (<i>Osceola</i>)	A written statement of explanation or rebuttal concerning the auditor’s comments included in the auditor’s management letter (required by Sections 10.557(3)(l) and 10.558(1), Rules of the Auditor General).	

6	Gramercy Farms Community Development District (<i>Osceola</i>)	A written statement of explanation or rebuttal concerning the auditor's comments included in the auditor's management letter (required by Sections 10.557(3)(l) and 10.558(1), Rules of the Auditor General).	
7	Greater Lakes/Sawgrass Bay Community Development District (<i>Lake</i>)	A statement that the auditor applied financial condition assessment procedures pursuant to Section 10.556(8), Rules of the Auditor General (required by Section 10.554(1)(i)5.c.1, Rules of the Auditor General).	
8	Westside Community Development District (<i>Osceola</i>)	A written statement of explanation or rebuttal concerning the auditor's comments included in the auditor's management letter (required by Sections 10.557(3)(l) and 10.558(1), Rules of the Auditor General).	

**List 2: Local Governments
Failure to Provide the Auditor General with Evidence of Corrective Action Taken
Related to Investment Policies**
(required by s. 11.45(7)(d), F.S.)

	Entity Name (County)	Non-Compliance Reported in the FY 2013-14 Audit Report Related to Investment Policies	Staff Recommendation
1	Reddick, Town of (<i>Marion</i>)	<i>Audit Finding ML2012-2:</i> The Town is not in compliance with Section 218.415(14), <i>Florida Statutes</i> , ¹ regarding the continuing education requirement related to responsible officials and the investment of public funds.	Take action if required item(s) are not provided by 1/29/16
2	Sanibel, City of (<i>Lee</i>)	<i>Audit Finding MLC 2014-001:</i> The City's investment policy includes most of the requirements of Section 218.415, <i>Florida Statutes</i> . However, the City's policy does not address two requirements. 1) The system of internal controls over investment activities should be in writing and made a part of the City's operational procedures. 2) The investment policy does not include the requirement for the City's official responsible for making investment decisions or chief financial officer to annually complete eight hours of continuing education in subjects or courses of study related to investment practices and products.	
3	Hillsborough Transit Authority (<i>Hillsborough</i>)	The auditors' examination disclosed that the continuing education requirement within the Authority's investment policy was not met. The requirement states that those responsible for making investment decisions will annually complete eight hours of continuing education in subjects or courses of study related to investment practices and products.	

¹ This law requires the Town's investment policy to provide for the continuing education of the Town's official responsible for making investment. The official must annually complete eight hours of continuing education in subjects or courses of study related to investment practices and products.

**List 3: Charter Schools
Significant Items Missing from Audit Report Not Yet Provided to Auditor General**
(required by s. 11.45(7)(b), F.S.)

	School Name	Item(s) Missing from FY 2013-14 Audit Report	Staff Recommendation
1	Chautauqua Learn and Serve at the Arc of Walton County	A written statement of explanation or rebuttal concerning findings and recommendations in the Report on Internal Control over Financial Reporting and Compliance.	Take action if required item(s) are not provided by 1/29/16

The motion was adopted.

Representative Murphy moved to rise.

Note: A video of the Committee meeting is available online at TheFloridaChannel.org by selecting "Video Library" and scrolling to the meetings for November 30, 2015.