

JOINT LEGISLATIVE AUDITING COMMITTEE (JLAC)

MEETING SUMMARY

October 17, 2011

Members in attendance:

Senator Jim Norman, Chair
Representative Debbie Mayfield, Vice Chair
Representative Larry Ahern
Representative Daphne D. Campbell
Representative Jeff Clemens
Senator Arthenia L. Joyner
Senator Evelyn J. Lynn
Representative Kenneth Roberson
Senator Maria Lorts Sachs
Senator Stephen R. Wise

Representative Bryan Nelson was excused.

Consideration of Transparency Florida recommendations

Kathy DuBose, Coordinator, presented the recommendations for Transparency Florida which were based on the members' discussion during the October 3, 2011, meeting.

The key points are:

- Local governments know best what their citizens want;
- It is not the state's responsibility to design and build a system to collect and display details of local government finances;
- The state should work in partnership with local governments as they increase transparency on their websites so that the full financial responsibility does not fall on them;
- Organizations such as the Florida Association of Counties and the Florida League of Cities should develop suggested guidelines for the types of information and the level of detail that each type of entity should provide on its website; and
- As local governments provide this information on their websites, links should be added to the Transparency Florida website to provide a central access point to all local government financial information in the state.

Senator Wise moved to approve the report and authorize staff to make technical and clarifying changes.

The motion passed without objection.

Local Government Accountability

Update on entities the Committee took action against in April 2011 for failing to file required financial reports

Kathy DuBose gave the following update on the Committee's action taken in April against some local governmental entities that had not turned in required financial reports to the state:

- The Committee had taken action against 11 municipalities and 20 special districts for annual financial reports and annual financial audits due September 30, 2010, or earlier;
- All 11 municipalities are now compliant;
- State revenue was withheld from one municipality, the Town of St. Lucie Village, before the required reports were filed with the state; and
- Of the 20 special districts, 17 are now compliant, one, Hillcrest Preserve, was declared inactive, and two (CrossCreek Community Development District and Highland Meadows Community Development District) were granted a delay of Committee action due to foreclosure actions.

In addition, two municipalities and a number of special districts have outstanding financial reports that were due September 30, 2010, or earlier. The Committee did not take action against these entities in April because either the previous Committee had taken action or there were extenuating circumstances.

Kathy discussed the Town of Caryville, which has had state funds withheld since April 2009 and appears close to engaging a CPA firm to conduct the required audit; the Santa Rosa Bay Bridge Authority, which has no funds to pay for the cost of an audit and also defaulted on its bond payment over the summer, and; the Broward Soil and Water Conservation District, which had indicated it was owed grant funds from the Department of Environmental Protection (DEP), which it needed in order to pay for the cost of the audit. DEP has determined it does not owe the district any additional grant funds. Attempts by Committee staff to contact the District have been unsuccessful.

Rep. Ahern moved that the Committee direct staff to notify the Department of Economic Opportunity, in accordance with s. 11.40(2)(b), F.S., to proceed pursuant to s. 189.4044 or s. 189.421, F.S., for Broward Soil and Water Conservation District.

The motion passed without objection.

Presentation on Special Districts by Ken Reecy, Department of Economic Opportunity

Ken Reecy, Assistant Director, Division of Community Development, Department of Economic Opportunity, gave a presentation concerning the department's responsibilities regarding special districts. Mr. Reecy's presentation is included in the meeting packet.

Presentation by Burton Marshall, Department of Financial Services

Burton Marshall, Bureau Chief, Bureau of Local Government, Department of Financial Services, gave a presentation on the department's statutory authority and responsibilities in relation to local governments. Mr. Marshall's presentation is included in the meeting packet.

Presentation by Melinda Miguel, the Governor's Chief Inspector General

Melinda Miguel, Chief Inspector General, Executive Office of the Governor, gave a presentation regarding the duties of the office with regard to local governments. Ms. Miguel's presentation is included in the meeting packet.

Presentation by the Auditor General, to include the Performance Audit of the Local Government Financial Reporting System; Auditor General Report No. 2011-196

Marilyn Rosetti, Audit Manager, Office of the Auditor General, gave a presentation to the Committee regarding the Auditor General's local government activities and the audit of the Local Government Financial Reporting System. Ms. Rosetti's presentation is included in the meeting packet.

Senator Lynn moved to rise.