

**JOINT LEGISLATIVE AUDITING COMMITTEE
MEETING SUMMARY
February 16, 2015**

Members in attendance:

**Senator Joseph Abruzzo, Chair
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
Representative Cynthia Stafford**

Consideration of a request for an audit of the City of North Miami received from the City of North Miami

Aleem Ghany, City Manager for the City of North Miami, spoke to the Committee regarding the City's request for an audit.

Rep. Murphy moved to direct the Auditor General to perform an operational audit of the City of North Miami, and allow the Auditor General to: (1) set the scope of the audit, providing that the concerns listed in the request are addressed, and (2) timing of the audit as audit resources are available, consistent with his work plan and so as not to jeopardize the timely completion of statutorily mandated assignments.

The motion was adopted.

Consideration of a certified petition request for an audit of the City of Archer received, pursuant to s. 11.45(5), F.S., from citizens of the City of Archer

Doug Jones, Mayor of Archer, and Ann Green, citizen, spoke against the audit request.

Senator Bradley requested a delay and the Chair deferred this item to a later meeting.

Consideration of a request for an audit of the Health Care District of Palm Beach County received from Representative Kerner

Rep. Dave Kerner presented his request for an audit of the Health Care District of Palm Beach County.

Rep. Mayfield moved to direct the Auditor General to perform an operational audit focusing on the concerns listed in the request and allow the Auditor General to: (1) set the scope of the audit, providing that the audit-related concerns of Rep. Kerner are addressed, and (2) timing of the audit as audit resources are available, consistent with his work plan and so as not to jeopardize the timely completion of statutory mandated assignments.

The motion was adopted.

Consideration of a request for an audit of the Jacksonville Fire and Police Pension Fund received from Representative Adkins

Rep. Janet Adkins presented her request for an audit of the Jacksonville Police and Fire Pension Fund. Also speaking in favor of an audit was Clay Yarborough, President of the Jacksonville City Council.

Senator Gibson moved to defer this request to a later meeting.

The motion was adopted.

Presentation of the Auditor General's audit of the Leon County District School Board

Greg Centers, Audit Director with the Auditor General's office, presented the Auditor General's operational audit report (No. 2015-088) of the Leon County District School Board.

Speaking on behalf of the school district were Jackie Pons, Superintendent, and Barbara Wills, Assistant Superintendent, Professional and Community Services.

Annual audit of the Department of the Lottery:

Presentation of the Department's financial statements

Ellen Hutson, CFO for the Department of the Lottery, presented the Department's financial statements.

Presentation of the Auditor General's audit of the Department's financial statements

Kathryn Walker, Audit Manager, presented the Auditor General's financial audit report of the Department of the Lottery (No. 2015-092).

Presentation of OPPAGA's review of the Department

Sabrina Hartley, Senior Legislative Analyst, presented OPPAGA's report of the Department of the Lottery (No. 15-03).

Consideration of the Department's audit for the 2014-15 fiscal year

Rep. Raulerson moved that the Committee direct the Auditor General and OPPAGA to conduct the audit of the Department of the Lottery for the 2014-15 fiscal year.

The Auditor General will be responsible for the financial statements, internal control, and compliance issues. The Auditor General may also use his discretion to include operational topics.

OPPAGA will be responsible for developing recommendations to enhance the earning capability of the lottery and to improve the efficiency of the Department's operations.

The motion was adopted.

Consideration of action against local governmental entities that have failed to file an annual financial report and/or annual financial audit report (if required), pursuant to s. 11.40(2), F.S.

Debbie White, CPA, JLAC staff, discussed the local governments that had not submitted required financial reports. The following local governmental entities had failed to file an annual financial report and/or an annual financial audit report for one or more years:

List 1: Municipalities

<u>Name</u>	<u>County</u>	<u>Staff Recommendation</u>
Town of Caryville	Washington	Take action if not received by 2/20/15 and direct staff to notify the delegation members or staff of the current situation
City of Midway	Gadsden	Take action if not received by 2/20/15
City of Quincy	Gadsden	Take action if not received by 2/20/15
City of Springfield	Bay	Take action if not received by 4/30/15
City of Weeki Wachee	Hernando	Stop action and direct staff to continue to monitor progress

List 2: Special Districts (Independent)

<u>Name</u>	<u>County</u>	<u>Staff Recommendation</u>
Eastpoint Water & Sewer District	Franklin	Take action if not received by 4/30/15
Hacienda Lakes Community Development District	Collier	Take action if not received by 3/10/15
Polk Soil & Water Conservation District	Polk	Take action if not received by 2/20/15

List 3: Special Districts (Dependent)

<u>Name</u>	<u>County</u>	<u>Staff Recommendation</u>
Housing Authority of The City of Tampa	Hillsborough	Take action if not received by 3/10/15
Live Oak Housing Authority	Suwannee	Take action if not received by 3/10/15
Quincy Community Redevelopment Agency	Gadsden	No action on the special district since the City of Quincy is responsible for submitting the AFR
Springfield Community Redevelopment Agency	Bay	No action on the special district since the City of Springfield is responsible for submitting the AFR
West Palm Beach Housing Authority	Palm Beach	Take action if not received by 3/10/15

List 4: Take No Action at Present Time

<u>Name</u>	<u>County</u>	<u>Staff Recommendation</u>
City of Hampton	Bradford	Delay action and direct staff to continue to monitor progress
CrossCreek Community Development District	Manatee	Continue to delay action, since district is working to catch up on delinquent audits
Freedom Walk Community Development District	Okaloosa	Continue to delay action
Lakeside Landings Community Development District	Polk	Delay action
Santa Rosa Bay Bridge Authority	Santa Rosa	Continue to delay action
Southern Hills Plantation II Community Development District	Hernando	Delay action
Southern Hills Plantation III Community Development District	Hernando	Continue to delay action
Vizcaya in Kendal Community Development District	Miami-Dade	Continue to delay action

Rep. Raulerson 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 according to the provisions of Section 11.40(2), Florida Statutes. Staff shall notify all parties required to be notified by law regarding these entities.

He further moved that the Chair, with the consent of the Vice Chair, be permitted to delay action against the entities on Lists 1 through 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.

Staff shall continue to monitor the municipality and special districts on List 4.

The motion was adopted.

Consideration of 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) and 218.39(8), F.S.

Debbie White, CPA, JLAC staff, explained that the Auditor General notified the Committee of local governments and educational entities that had failed to correct audit findings that have been reported in three successive audit reports. She stated that, based on the review of 2012-13 fiscal year audit reports, the Auditor General reported 458 entities and 927 findings to the Committee. For details refer to the meeting packet, beginning on page 242.

Rep. Rodrigues moved to accept staff recommendations and, where applicable, direct staff to send a letter to the entities that have been reported to the Committee by the Auditor General for failing to correct audit findings unless the audit for the 2013-14 fiscal year 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.

The motion was adopted.

Presentation of the Auditor General's Performance Audit of the Local Government Financial Reporting System (Report No. 2015-037)

Marilyn Rosetti, Audit Manager, Auditor General's Office, presented the performance audit of the local government financial reporting system.

Senator Gibson moved to rise.