

**JOINT LEGISLATIVE AUDITING COMMITTEE
MEETING SUMMARY
October 7, 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

Presentation of the Auditor General's Operational Audit of the Delray Beach Community Redevelopment Agency (CRA) and response from CRA officials

Marilyn Rosetti, Audit Manager, Auditor General's Office, gave a presentation regarding the audit findings.

David Tolces, attorney for the Delray Beach CRA, responded to the audit.

Workshop on the guidelines for audits of lobbying firm compensation reports

Chair Abruzzo discussed the responsibilities of the Committee regarding the audits of lobbying firm compensation reports and informed the members of the expectations of the President and the Speaker. He also provided an overview of compensation reports and the audit requirement established in law.

Deborah Curry, CEO, Florida Institute of Certified Public Accountants (FICPA), addressed two concerns the FICPA has with the wording of the law that requires audits of lobbying firm compensation reports: (1) the use of the term audit, and (2) the definition of auditor independence. She explained that an agreed-upon procedures engagement would be more appropriate than an audit in meeting the intent of the law. Also, the definition of auditor

independence is more restrictive than the independence standards adopted by the Florida Board of Accountancy. The Florida Board of Accountancy has also expressed concern related to these two issues.

Chair Abruzzo led the beginning of a discussion regarding issues the Committee may want to include in the guidelines to govern audits of lobbying firm compensation reports.

The first issue discussed was the method to be used to randomly select the lobbying firms that would be subject to an audit.

David Martin, Auditor General, briefly explained the use of a random number generator. Christi Alexander, Audit Manager, Auditor General's Office, demonstrated the use of Excel's random number generator.

A question was asked regarding whether the auditor would verify the compensation for both the Legislative and the Executive branches, if applicable, if the lobbying firm was selected for an audit. Debbie White, CPA, with the Committee staff, explained that the selection would no longer be truly random as required by law if reports for both branches were audited based on a random selection applied to just one branch.

Chair Abruzzo suggested there may be a need to file clarifying legislation to alter the selection process.

In response to a question regarding the cost and funding of the audits, Kathy DuBose, Coordinator, explained that the very rough cost estimate was \$1 million or more. Also, she stated that there are sufficient funds to pay for the cost of the audits for one cycle using the annual registration fees paid by the lobbyists that have accumulated in the trust fund.

Next, Chair Abruzzo discussed how the auditors would be selected to conduct the audits, including the use of a request for proposal (RFP) to solicit CPAs who are willing to conduct the audits. He stated that the development of the RFP would occur at a future Committee meeting.

Hubert "Bo" Bohannon, Chair, Florida Association of Professional Lobbyists (FAPL), and Jennifer Green, President, Liberty Partners of Tallahassee and past chair of FAPL, both spoke to the Committee from the lobbyists' perspective.

Meeting was adjourned at 3:00 p.m. due to time limitation.

Discussion and consideration of recommendations related to the Transparency Florida Act, s. 215.985, F.S.

Due to time constraints, this item was not considered.

Follow-up discussion related to the reporting of entities that have failed to correct repeat audit findings to the Committee

Due to time constraints, this item was not considered.