



# FLORIDA DEPARTMENT OF Environmental Protection

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3900 Commonwealth Boulevard  
Tallahassee, FL 32399

**Ron DeSantis**  
Governor

**Jeanette Nuñez**  
Lt. Governor

**Shawn Hamilton**  
Secretary

December 20, 2023

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Melinda M. Miguel  
Chief Inspector General  
The Capitol  
Tallahassee, FL 32399-0001

Dear Chief Inspector General Miguel:

In accordance with Section 20.055 (6) (h), Florida Statutes, the enclosed document represents the six-month status of the findings and recommendations included in the Auditor General's Report No. 2023-196, *Local Government Financial Reporting System*, dated June 2023.

Please let me know if you would like additional information regarding management's response.

Sincerely,

Candie M. Fuller  
Inspector General

Enclosure

cc: Joint Legislative Auditing Committee

**FOLLOW-UP OF AUDIT REPORTS ISSUED BY THE AUDITOR GENERAL OR OPPAGA**

AUDITING ENTITY	REPORT NUMBER	PERIOD COVERED	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTIONS TAKEN
Auditor General	2023-196	October 2019 – June 2021	<p><b>Finding 1:</b> The Florida Department of Environmental Protection (DEP) should enhance its records to evidence the dates local government owners or operators of landfill facilities file audits of the escrow accounts maintained to accumulate financial resources for the proper closing and long-term care of landfills. In addition, the DEP could enhance its efforts to compel local governments to timely file the required escrow account audit reports.</p> <p><b>Recommendation:</b> The DEP should establish written policies and procedures to record the receipt date of escrow account audit reports and to establish progressively stronger enforcement actions to compel local government entities to timely file escrow account audit reports that contain the elements required by State law. Such actions should include imposing the fine authorized by State law for failure to collect or report revenue accumulated for landfill closure and long-term care.</p>	<p>As stated in the Department’s June 14, 2023, response, the following corrective actions have been implemented:</p> <ul style="list-style-type: none"> <li>• The solid waste financial assurance database has been revised to include: <ul style="list-style-type: none"> <li>○ Date that the local government submits an audit to the Department; and</li> <li>○ Date that the Department deems the audit complete (i.e., meets rule requirements).</li> </ul> </li> <li>• A reminder regarding the due date for escrow audits was added to the cost estimate notice that was sent to all solid waste permittees using escrow accounts as the financial assurance documentation in July.</li> <li>• During the last week of January, a new reminder letter will be sent to permittees utilizing escrow accounts to comply with financial responsibility requirements. This will provide notice approximately 60 days prior to the audit due date of March 31<sup>st</sup>. The template for this letter has been developed.</li> <li>• A delinquency notice will be sent during the first week of April to those local governments that failed to submit their escrow audits by March 31<sup>st</sup>. The notice will state that the local government is out of compliance with financial assurance requirements, that statutory fines could be leveled and that the audit must be submitted within 30 days. The template for this notice has been developed.</li> </ul>

				<ul style="list-style-type: none"> <li>• If a local government has not submitted an escrow audit by mid-May, a notice will be sent to the Chairman of the Commission for the local government. The notice will detail rule requirements and potential penalties for non-compliance. The template for this notice has been developed.</li> <li>• An SOP, outlining the procedures above and including the templates, has been placed with other SOPs in a common folder managed by the financial assurance team.</li> </ul>
			<p><b>Finding 2:</b> Statutory requirements for annual audits of the local government landfill escrow accounts maintained to accumulate financial resources for the proper closing and long-term care of landfills could be clarified to ensure that the audits are properly and consistently conducted in accordance with Legislative intent.</p> <p><b>Recommendation:</b> We recommend that the Legislature consider revising State laws, or alternatively, that the DEP revise its rules, governing local government escrow account audits to require:</p> <ul style="list-style-type: none"> <li>○ CPAs to opine on the accuracy of local-government-reported escrow account balances and disclose in the audit reports whether the local governments complied with State law by</li> </ul>	<p>As stated in the Department’s June 14, 2023, response, the Department concurs that the required escrow audits could be enhanced by requiring CPA’s to follow specific professional standards, such as the American Institute of Certified Public Accountants (AICPA) auditing standards. However, because the statute does not direct Department to specify the professional accounting standards for CPAs to follow when conducting the audits, the Department needs to further evaluate its authority to impose this requirement by rule. This evaluation is still underway.</p>

			<p>ensuring that the escrow accounts had sufficient financial resources for proper closure and long-term care of the landfills.</p> <ul style="list-style-type: none"><li>○ CPAs to follow specified professional standards, such as AICPA auditing standards or GAGAS, when conducting the audits.</li><li>○ DEP personnel to verify that the audit reports include required information in accordance with DEP rules.</li><li>○ Penalties or other consequences be assessed for landfill owners and operators who do not timely submit audit reports to the DEP or submit audit reports that lack required information.</li></ul>	
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