

JOINT LEGISLATIVE AUDITING COMMITTEE (JLAC) MEETING SUMMARY April 4, 2011

Members in attendance:

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

Representative Michael Bileca was excused.

Overview of the Office of Program Policy Analysis and Government Accountability (OPPAGA): Presentation by Kathy McGuire, OPPAGA Acting Coordinator

Kathy McGuire, OPPAGA Acting Coordinator, gave an overview of OPPAGA.

Discussion of cost incurred by local governments to publish legally required advertisements and public notices in newspapers

Kathy DuBose, JLAC Acting Coordinator, briefed the Committee on available cost figures of advertisements and public notices. Also speaking to this issue were:

Speaker	Representing
Wayne Malaney	Bailey Publishing American Lawyer Media, Inc.
Jim Bailey	Bailey Publishing
Jeff Kottcamp	Keep the Public Notified Coalition
Jack Cory	Daily Business Review

Local Government Financial Reporting

Update on entities the Committee took action against in 2009 and 2010 for failing to file required financial reports

Debbie White, CPA, of the Committee staff, presented the status regarding the local governmental entities that the Committee took action against in 2009 and 2010 for failing to comply with reporting requirements of s. 218.32 (annual financial report) and/or s. 218.39 (annual financial audit), Florida Statutes.

The Committee is expected to consider taking action against certain local governments that have failed to file an annual financial report (AFR) and annual financial audit (audit) (if required) due September 30, 2010, or earlier pursuant to s. 11.40(5), F.S.

Debbie White presented staff recommendations for consideration relating to action against certain local governments that have failed to file an AFR and audit, if required, due September 30, 2010, or earlier pursuant to s. 11.40(5), F.S.

The Committee adopted a series of motions to address entities that have failed to file an AFR with the Department of Financial Services (DFS) and/or an audit with the Office of the Auditor General. As shown in the tables below, the Committee imposed a penalty against 11 municipalities and 20 special districts that have not filed the required report(s). Entities that comply with the reporting requirements by the effective date will not be subject to action by the Department of Revenue (DOR) and DFS or the Department of Community Affairs (DCA), as appropriate. The Committee indefinitely delayed action against nine special districts.

When the Committee notifies DOR and DFS of non-compliant municipalities, in accordance with s. 11.40(5)(a), F.S., the agencies are required to withhold any funds not pledged for bond debt service satisfaction beginning 30 days after they receive the notification. For municipalities, these revenues include Half-Cent Sales Tax and Municipal Revenue Sharing funds distributed by DOR, if the municipality would otherwise receive these funds. DFS distributes funds to municipalities on behalf of the state agencies; these funds are generally grant funds.

When the Committee notifies DCA of non-compliant special districts, in accordance with s. 11.40(5)(b), F. S., DCA is required to file a petition for a writ of certiorari in Leon County circuit court within 30 days of notification.

Entities Subject to JLAC Action in 2009 or 2010 and Continue to be Non-Compliant	
Entity	Action
Town of Westville	Approve audit for FY 2009-10 in lieu of FY 2007-08; Audit and all delinquent AFRs due June 30, 2011; Notify DOR and DFS on July 1, 2011
Baker Fire District	Notify DCA on April 16, 2011, if FY 2007-08 audit and AFR not submitted by that date; Notify DCA on June 1, 2011, if FY 2008-09 audit (if required) and AFR not submitted by that date
Bella Verde Golf Community Development District (CDD)	Indefinite delay of Committee action; Staff will continue to monitor

Entities Subject to JLAC Action in 2009 or 2010 and Continue to be Non-Compliant (cont.)	
Entity	Action
Peace River Soil and Water Conservation District	Notify DCA on April 16, 2011, if FY 2007-08 AFR not received; No Committee action related to FY 2007-08 audit
Southbay CDD	Indefinite delay of Committee action; Staff will continue to monitor
Vizcaya in Kendall CDD	Indefinite delay of Committee action; Staff will continue to monitor

Municipalities that owe report(s) only for the most recent year (FY 2008-09); due September 30, 2010, or earlier	
Municipality	Action
City of Bonifay	Notify DOR and DFS on April 5, 2011
City of Hawthorne	
Town of St. Lucie Village	
Village of Miami Shores	Notify DOR and DFS on May 2, 2011
City of Springfield	
City of Laurel Hill	Notify DOR and DFS on May 16, 2011
City of Cottondale	Notify DOR and DFS on July 1, 2011
Town of Noma	
City of Pahokee	
Town of Eatonville	Notify DOR and DFS on October 3, 2011

Special Districts that owe report(s) only for the most recent year (FY 2008-09); due September 30, 2010, or earlier	
Special District	Action
Housing Authority of Brevard County	Notify DCA on April 19, 2011
Gateway Services CDD	
Martin Soil and Water Conservation District	
South Dade Soil and Water Conservation District	
Hillcrest Preserve CDD	Notify DCA on May 3, 2011
Cypress Creek of Hillsborough County CDD	Notify DCA on May 20, 2011
Hamilton County Memorial Hospital	
Longleaf CDD	
Ochlockonee River Soil and Water Conservation District	
Panther Trace II CDD	
Lafayette Soil and Water Conservation District	Notify DCA on June 2, 2011
Saddle Creek CDD	
South Shore Corporate Park Industrial CDD	

Special Districts that owe report(s) only for the most recent year (FY 2008-09); due September 30, 2010, or earlier (cont.)	
Special District	Action
Chapel Creek CDD	Notify DCA on June 30, 2011
CrossCreek CDD	
Highland Meadows CDD	
New River CDD	
Palm River CDD	

The Committee authorized the Chair, with the consent of the Vice Chair, to delay notifying DOR and DFS or DCA, as appropriate, between May 1st and August 31st for the entities listed above if additional information is brought to their attention that should be considered in determining the effective date of the Committee's action. Staff is required to notify the President of the Senate, the Speaker of the House, and Committee members of any delays approved.

Special Districts that owe report(s) only for the most recent year (FY 2008-09) and are dealing with major issues	
Special District	Action
Broward Soil and Water Conservation District	Indefinite delay of action by Committee; Staff will continue to monitor
Cordoba Ranch CDD	
Gardens at Millennia CDD	
Riverwood Estates CDD	
Santa Rosa Bay Bridge Authority*	
Tidewater Preserve CDD	

*Although technically the Santa Rosa Bay Bridge Authority owes reports for prior years, previous committees determined it should not be subjected to state action due to extenuating circumstances.

Adoption of Committee Motion

Rep. Ahern moved that the Committee direct the Auditor General to audit any municipality for which the Chair certifies to the Auditor General that the requirements of s. 11.45(5), Florida Statutes, have been satisfied by petitioners. Staff shall promptly deliver a copy of any such certification to the members of the Committee, the President of the Senate, and the Speaker of the House.

The motion passed without objection.

Discussion of Committee's responsibility to direct an audit for the Department of the Lottery for the fiscal year ending June 30, 2011

Kathy DuBose explained the Committee's responsibility to direct an audit of the Department of the Lottery.

Rep. Campbell moved that the Committee direct the Auditor General and OPPAGA to conduct the audit of the Department of the Lottery for the 2010-11 fiscal year. The Auditor General will be responsible for the financial statements, internal control, and compliance issues. 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 passed without objection.

Presentation of Auditor General Report No. 2011-069, Payroll and Personnel Administrative Processes at Selected State Agencies - Operational Audit

Sherrill Norman, an Audit Manager with the Office of the Auditor General, presented the Auditor General's report on Payroll and Personnel Processes.

Presentation of OPPAGA Report No. 10-53, Most Local Governments Participating in the Expedited Review Process Report Benefits

Larry Novey, a Chief Legislative Analyst with OPPAGA, gave a presentation on OPPAGA's report on expedited reviews of comprehensive plans.

Presentation of Auditor General Report No. 2011-167, State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards for the Fiscal Year Ended June 30, 2010

Lisa Norman, an Audit Manager with the Auditor General's Office, presented the Auditor General's statewide audit.