

**JOINT LEGISLATIVE AUDITING COMMITTEE  
MEETING SUMMARY  
December 7, 2017**

**Members in attendance:**

**Representative Jennifer Sullivan, Chair  
Senator Debbie Mayfield, Vice Chair**

**Senator Dennis Baxley  
Senator Audrey Gibson  
Senator Kathleen Passidomo  
Senator Perry Thurston**

**Representative Tracie Davis  
Representative Randy Fine  
Representative Joe Gruters  
Representative Roy Hardemon  
Representative Cyndi Stevenson**

---

**Consideration of a request for an Auditor General audit of the East Flagler Mosquito Control District received from Senator Hutson and Representative Renner**

Representative Renner spoke to the Committee regarding the request for an audit.

Representative Fine moved to direct the Auditor General to perform an operational audit of the East Flagler Mosquito Control District and that the audit should focus on the District's internal controls and operations relating to budgeting and construction and its compliance with applicable laws, rules, and regulations governing those areas.

The Auditor General shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of Senator Hutson and Representative Renner as included in their request letter and in the staff analysis are considered.

Motion was adopted unanimously.

**Consideration of the Committee's report required by the Transparency Florida Act, s. 215.985, F.S.**

Representative Fine presented a motion to recommend a revision to the Transparency Florida Act, s. 215.985(6), F.S., to add the personnel information for state college employees and officers to the required website which is known as "Florida Has a Right to Know".

Motion passed (Senators Gibson and Thurston and Representative Hardemon voted against this motion).

**Consideration of the Department of the Lottery's audit for the 2017-18 fiscal year**

Senator Mayfield moved to direct the Auditor General and OPPAGA to conduct the audit of the Department of Lottery for the 2017-18 fiscal year.

The Auditor General will be responsible for the financial statements, internal control, and compliance issues. The Auditor General may also use her 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.

Motion was adopted unanimously.

**Presentation of the Auditor General's Report on Significant Financial Trends and Findings in Local Governmental Entity 2015-16 Fiscal Year Audit Reports and Annual Financial Reports**

Mike Gomez, Audit Manager with the Office of the Auditor General, presented the Auditor General's report on local government trends.

**The Committee is expected to consider taking 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)(j) and 218.39(8), F.S.**

Chair Sullivan called on Debbie White, CPA, Legislative Analyst with the Committee, to explain the list of educational entities and local governmental entities with audit findings that have been reported in at least three successive audit reports.

Senator Passidomo moved that the Committee accept staff recommendations and direct staff to send a letter to the applicable entities that have been reported to the Committee by the Auditor General for failing to correct audit findings, unless a more recent audit report 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.

In addition, the staff shall send a letter to any entity for which the Auditor General reported uncorrected audit findings to the Committee for late-filed 2015-16 audit reports and request a similar statement, unless a response has been previously provided and it appears that the entity has taken corrective action, to the extent possible, using existing resources.

Motion was adopted unanimously.

*Note: For the list of entities and staff recommendations, see the [Committee Meeting Packet](#) for December 7, 2017, pages 89-312.*

### **Consideration of action related to the Town of Caryville's noncompliance with financial reporting requirements**

Senator Sullivan called on Kathy DuBose to explain the developments relating to the Town of Caryville and some follow-up action that the Committee may want to consider.

<b>Staff Recommendation Related to the Town of Caryville</b>
<p>Approve the FY 2016-17 audit in lieu of the FY 2015-16 audit. The 2015-16 fiscal year annual financial report (AFR) will be required.</p> <p>As a condition of this:</p> <ul style="list-style-type: none"><li>• The Town begins preparing its records for the audit, including hiring someone with expertise in governmental accounting to review records/assist with year-end closing entries and compile financial statements, if necessary</li><li>• The Town attempts to find an auditor to perform the audit and provides evidence that it has done so (i.e., provide a copy of RFP, etc.)</li><li>• The Town provides an engagement letter for auditing services to the Committee by May 1, 2018</li></ul> <p>Also:</p> <p>Direct Committee staff to monitor the progress of the Town</p> <p>If the Town is unable to find an auditor by May 1st (i.e., no CPAs/CPA firms respond to the RFP), direct the Auditor General to perform the financial audit for the 2016-17 fiscal year</p> <p>Authorize the Committee's Chairs to delay the May 1st date upon request of the Town (i.e., the Town is still in the process of receiving proposals for auditing services)</p>

Representative Davis moved that the Committee accept the staff recommendation for the Town of Caryville.

Motion passed (Senator Baxley and Representatives Fine and Gruters voted against this motion).

## Presentation of the Auditor General’s Annual Report

Sherrill Norman presented the Auditor General’s Annual Report

**The Committee is expected to consider taking action against local governmental entities that have failed to provide the Auditor General with significant items missing from audit reports submitted in accordance with s. 218.39, F.S.**

Debbie White, CPA, Legislative Analyst with the Committee, discussed that there is only one local government that continues to have failed to provide information requested by the Auditor General. The enforcement action available to the Committee is specified in s. 11.40(2)(b), F.S.

List 1: LOCAL GOVERNMENTS					
Significant Items Missing from Audit Report Not Yet Provided to Auditor General (required by s. 11.45(7)(b), F.S.)					
	Entity Name (County)	Senate District (Countywide)	House District (Countywide)	Item Missing from FY 2015-16 Audit Report	Staff Recommendation
1	Taylor County Development Authority (Taylor)	3	7	A schedule of the entity’s proportionate share of the net pension liability and a schedule of the entity’s contributions to the pension plan were excluded from the audit report required supplementary information, although required for entities with defined benefit cost-sharing pension plans by P50.125 of the <i>Codification of Governmental Accounting and Financial Reporting Standards</i> .	Take action if not received by January 15, 2018

Representative Stevenson moved to accept the staff recommendation for the special district (Taylor County Development Authority) that has failed to provide the Auditor General with required information and direct staff to notify the Department of Economic Opportunity to proceed with the provisions of Section 11.40(2), F.S. She further moved that the Chair with the consent of the Vice Chair, be permitted to delay this action, if additional information is brought to their attention that should be considered in determining the effective date of the Committee’s action.

Motion was adopted unanimously.

## **Overview of the audits of Lobbying Firm Quarterly Compensation Reports performed in 2017**

Chair Sullivan called on Kathy DuBose, Coordinator, to give an overview and the results of the audits of the 2016 lobbying firm quarterly compensation reports.

Representative Davis moved to adjourn.

*Note: A video of the Committee meeting is available online at [The Florida Channel.org](http://TheFloridaChannel.org) by selecting "Video Library" and scrolling to the meetings for December 7, 2017.*