

**JOINT LEGISLATIVE AUDITING COMMITTEE  
MEETING SUMMARY  
November 14, 2019**

**Members in attendance:**

**Senator Jeff Brandes, Vice Chair  
Senator Dennis Baxley  
Representative Michael Caruso  
Representative Chip LaMarca  
Senator Bill Montford  
Representative Sharon Pritchett  
Representative Bob Rommel  
Representative Patricia Williams**

**Representative Jason Fischer, Chair, Senator Tom Lee, Senator Kevin Rader, and  
Representative Jackie Toledo were excused**

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**Consideration of a request for an Auditor General operational audit of the Belle Glade Housing Authority submitted by Representative Roth as Chair of the Palm Beach County Legislative Delegation**

Representative Roth spoke to the Committee regarding the request for the audit.

Representative Caruso moved that the Committee direct the Auditor General to perform an operational audit of the issues relating to the Housing Authority of the City of Belle Glade. The Auditor General, pursuant to the authority provided in Section 11.45(3), F.S., should focus on the Authority's administration and management of its facilities. The Auditor General shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of Representative Roth, on behalf of the Palm Beach County Legislative Delegation, as included in his request letter, are considered.

Motion passed unanimously.

**Consideration of a request for an Auditor General operational audit of the City of Gainesville submitted by Senator Perry and Representative Clemons**

Representative Clemons spoke to the Committee regarding the request for the audit.

Carlos Holt, Auditor Investigator (Ex-City Auditor of the City of Gainesville), spoke to the Committee regarding the request for the audit.

Brian O'Brian, citizen of the City of Gainesville, spoke to the Committee regarding the request for the audit.

Representative Caruso moved that the Committee direct the Auditor General to perform an operational audit of the City of Gainesville. The Auditor General, pursuant to the authority provided in Section 11.45(3), F.S., shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of Senator Perry and Representative Clemons, as included in their request letter and the staff analysis, are considered.

Motion passed unanimously.

**Consideration of a request for an Auditor General operational audit of the Florida Commission on Offender Review submitted by Senator Brandes**

Senator Brandes spoke to the Committee regarding the request for the audit.

Representative Pritchett moved that the Committee direct the Auditor General to perform a targeted audit of the Florida Commission on Offender Review. The Auditor General, pursuant to the authority provided in Section 11.45(3), F.S., shall finalize the scope of the audit during the course of the audit, providing that the audit-related concerns of Senator Brandes as included in his request letter are considered.

Motion passed unanimously.

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

No recommendations were offered and Senator Montford moved to accept the report as is.

Motion passed unanimously.

**The Committee is expected to consider taking action against local governmental entities that have failed to file an annual financial report and/or annual financial audit (if required) in accordance with ss. 218.32(1) and 218.39, F.S.**

Debbie White, CPA, Legislative Analyst with the Committee, discussed the local governmental entities that had not submitted their required financial reports. Below are the lists of the local governmental entities that, as of the time of the meeting, had failed to file an annual financial report and/or an annual financial audit report for one or more years and the staff's recommendations.

Unless otherwise stated, the delinquent reports are for the 2017-18 fiscal year.

**List 1: Counties**

<b>Name</b>	<b>County</b>	<b>Staff Recommendation</b>
Dixie County	Dixie	Take action if not received by 3/31/2020
Jefferson County	Jefferson	Take action if not received by 3/31/2020
Total Number of Counties: 2		

**List 2: Municipalities**

<b>Name</b>	<b>County</b>	<b>Staff Recommendation</b>
Town of Alford	Jackson	Take action if not received by 1/17/2020
Town of Altha	Calhoun	Take action if not received by 6/30/2020
City of Atlantic Beach	Duval	Take action if not received by 12/16/2019
City of Bonifay	Holmes	Take action if not received by 11/22/2019
Town of Esto	Holmes	Take action if not received by 1/17/2020
City of Gretna	Gadsden	Take action if not received by 1/17/2020
City of Hampton	Bradford	Take action if not received by 6/30/2020
Town of Havana	Gadsden	Take action if not received by 1/17/2020
Village of Indiantown	Martin	Take action if not received by 11/22/2019
Town of Lake Park	Palm Beach	Take action if not received by 11/22/2019
Village of Lazy Lake	Broward	Take action if not received by 11/22/2019
Town of Loxahatchee Groves	Palm Beach	Take action if not received by 12/16/2019
Town of Mangonia Park	Palm Beach	Take action if not received by 11/22/2019
City of Minneola	Lake	Take action if not received by 12/16/2019
City of Opa-locka	Miami-Dade	Take action if not received by 2/1/2020
City of Pahokee	Palm Beach	Take action if not received by 12/16/2019
Town of Pembroke Park	Broward	Take action if not received by 12/16/2019
City of Vernon	Washington	Continue state action on FY 2016-17. If FY 2016-17 financial reports are submitted by 1/17/2020, then take action on FY 2017-18 financial reports if not received by 3/31/2020. Otherwise, take action on FY 2017-18 on 1/20/2020.
Total Number of Municipalities: 18		

**List 3: Special District (Independent)**

<b>Name</b>	<b>County / Creation Method</b>	<b>Staff Recommendation</b>
Baker Fire District	Okaloosa / Special Act	Continue state action on FY 2016-17. If FY 2016-17 financial reports are submitted by 1/17/2020, then take action on FY 2017-18 financial reports if not received by 3/31/2020. Otherwise, take action on FY 2017-18 on 1/20/2020.
Baker Soil and Water Conservation District	Baker / General Law	Take action if not received by 11/22/2019
Clearwater Cay Community Development District	Pinellas / Local Ordinance	Take action if not received by 11/22/2019
Deerfield Preserve Community Development District	St. Johns / Local Ordinance	Take action if not received by 11/22/2019
Dorcas Fire District	Okaloosa / Special Act	Take action if not received by 1/17/2020
Eastpoint Water and Sewer District	Franklin / Special Act	Take action if not received by 12/16/2019

<b>Name</b>	<b>County / Creation Method</b>	<b>Staff Recommendation</b>
Green Corridor Property Assessment Clean Energy (PACE) District	Miami-Dade / General Law	Take action if not received by 12/16/2019
Martin Soil and Water Conservation District	Martin / General Law	Take action if not received by 11/22/2019
Polk Soil and Water Conservation District	Polk / General Law	Take action if not received by 11/22/2019
Taylor Soil and Water Conservation District	Taylor / General Law	Take action if not received by 11/22/2019
Yellow River Soil and Water Conservation District	Okaloosa / General Law	Continue state action on FY 2016-17. If FY 2016-17 financial reports are submitted by 12/16/2019, then take action on FY 2017-18 if financial reports not received by 3/31/2020. Otherwise, take action on FY 2017-18 on 12/17/2019.
Total Number of Special Districts: 11		

**List 4: Special Districts (Dependent)**

<b>Name</b>	<b>County / Creation Method</b>	<b>Staff Recommendation</b>
Ali-Baba Neighborhood Improvement District	Miami-Dade / Local Ordinance	No action on the special district since the City of Opa-locka is responsible for submitting the District's AFR. [Note: Take action on City of Opa-locka as specified in List 2.]
Brandon Groves North Service District	Hillsborough / Local Ordinance	Take action if not received by 11/22/2019
City of Minneola Community Redevelopment Agency	Lake / Local Ordinance	No action on the special district. The Agency is a component unit of the City of Minneola and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on City of Minneola if reports not received by 12/16/2019.]
Community Redevelopment Agency of the Town of Havana	Gadsden / Local Ordinance	No action on the special district. The Agency is a component unit of the Town of Havana and is included in the Town's audit. The Town is also responsible for submitting the Agency's AFR. [Note: Take action on Town of Havana if reports not received by 1/17/2020.]
Community Redevelopment Agency of the Town of Lake Park	Palm Beach / Local Ordinance	No action on the special district. The Agency is a component unit of the Town of Lake Park and is included in the Town's audit. The Town is also responsible for submitting the Agency's AFR. [Note: Take action on Town of Lake Park if reports not received by 11/22/2019.]
East-West Neighborhood Improvement District	Miami-Dade / Local Ordinance	No action on the special district since the City of Opa-locka is responsible for submitting the District's AFR. [Note: Take action on City of Opa-locka as specified in List 2.]
Gillespie Park Neighborhood Improvement District	Sarasota / Local Ordinance	Take action if not received by 12/16/2019

<b>Name</b>	<b>County / Creation Method</b>	<b>Staff Recommendation</b>
Gretna Neighborhood Improvement District	Gadsden / Local Ordinance	No action on the special district since the City of Gretna is responsible for submitting the District's AFR. [Note: Take action on City of Gretna if reports not received by 1/17/2020.]
Leon County Educational Facilities Authority	Leon / General Law	Take action if not received by 11/22/2019
Loxahatchee Groves Water Control District	Palm Beach / Special Act	No action on the special district. The District is a component unit of the City of Loxahatchee Groves and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on City of Loxahatchee Groves if reports not received by 12/16/2019.]
Niles Garden Neighborhood Improvement District	Miami-Dade / Local Ordinance	No action on the special district since the City of Opa-locka is responsible for submitting the District's AFR. [Note: Take action on City of Opa-locka as specified in List 2.]
Opa-Locka Community Redevelopment Agency	Miami-Dade / Local Ordinance	No action on the special district. The Agency is a component unit of the City of Opa-locka and is included in the City's audit. The City is also responsible for submitting the Agency's AFR. [Note: Take action on City of Opa-locka as specified in List 2.]
Twin Lakes Water Control District	Broward / Local Ordinance	Take action if not received by 11/22/2019 (Note: Report was submitted before Committee meeting began.)
Total Number of Special Districts: 14		

Note: The Committee's meeting packet also listed the East Mulloch Water Control District (District); however, the District submitted the delinquent report prior to the meeting.

**List 5: Take No Action**

<b>Name</b>	<b>County / Creation Method</b>	<b>Staff Recommendation</b>
Campbellton-Graceville Hospital District	Jackson / Special Act	Continue to delay state action on FY 2016-17 delinquent financial reports and delay state action on FY 2017-18 delinquent financial reports, and have staff monitor District's progress in complying with terms of Chapter 2018-188, <i>Laws of Florida</i> , to "wind down its affairs" now that the Hospital property has been sold.
Santa Rosa Bay Bridge Authority	Santa Rosa / Special Act	Continue to delay action (for multiple years)
Total Number of Special Districts: 2		

Representative LaMarca moved that the Committee accept staff recommendations for the counties, municipalities, and special districts on Lists 1 through 5, 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), F.S.<sup>1</sup> 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 4 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 special districts on List 5.

Motion passed unanimously.

**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 are two local governmental entities that continue to have failed to provide information requested by the Auditor General. This is information that is required to be included in local governmental financial audit reports. The enforcement action available to the Committee is specified in s. 11.40(2), F.S.<sup>2</sup>

<b><u>LOCAL GOVERNMENTS</u></b>					
<b><u>Significant Items Missing from Audit Report - Not Yet Provided to Auditor General</u></b>					
<i>(required by s. 11.45(7)(b), Florida Statutes)</i>					
	<b>Entity Name (County)</b>	<b>Senate District(s)</b>	<b>House District(s)</b>	<b>Item(s) Missing from FY 2017-18 Audit Report</b>	<b>Comments and Staff Recommendation</b>
1	Washington County Sheriff	2	5	An accountant’s examination report with a determination of the entity’s compliance with Section 365.173(2)(d), Florida Statutes, regarding receipt of E911 funds, and with Section 365.172(10), Florida Statutes, regarding the use of such fee revenues, interest, and grant funding was excluded from the audit report although required by Sections 10.556(10)(b), and 10.557(3)(c), Rules of the Auditor General.	No response received to 10/8/2019 letter.  Take action if not received by December 16, 2019

<sup>1</sup> Section 11.40(2), F.S., authorizes the Committee to: (1) For counties and municipalities, direct the Department of Revenue and the Department of Financial Services to withhold certain revenue, with withholding to begin 30 days after the agencies have received notification; and (2) For special districts, direct the Department of Economic Opportunity to file a petition for enforcement in the circuit court in Leon County or begin the process to declare the special district inactive for dissolution.

<sup>2</sup> *Id.*

	Entity Name (County)	Senate District(s)	House District(s)	Item(s) Missing from FY 2017-18 Audit Report	Comments and Staff Recommendation
2	St. Lucie County Fire District (St. Lucie)	25	54, 55, 83, 84	<p>A schedule of the entity's changes in the net pension liability showing beginning and ending balances of the total pension liability, the plan's fiduciary net position, and the net pension liability was excluded from the audit report's required supplementary information, although required for entities presenting pension trust funds by Section Pe5.128a of the <i>Codification of Government Accounting and Financial Reporting Standards</i>.</p> <p>A schedule showing the entity's total pension liability, the pension plan's fiduciary net position, the entity's net pension liability, the plan's fiduciary net position as a percentage of total pension liability, the entity's covered payroll, and the net pension liability as a percentage of covered payroll was excluded from the audit report's required supplementary information, although required for entities presenting pension trust funds by Section Pe5.128b of the <i>Codification of Government Accounting and Financial Reporting Standards</i>.</p> <p>A schedule showing the entity's actuarially determined employer contribution, the amount actually contributed, the difference between the required and the actual contribution, the entity's covered payroll, and the contribution recognized by the pension plan in relation to the required amount as a percentage of covered payroll was excluded from the audit report's required supplementary information although required for entities presenting pension trust funds by Section Pe5.128c of the <i>Codification of Government Accounting and Financial Reporting Standards</i>.</p> <p>A schedule of the entity's changes in the total Other Post Employment Benefit (OPEB) liability showing beginning and ending balances of the total OPEB liability, and the effects during the period of service cost, interest on the OPEB liability, changes in benefit terms, differences between expected and actual experience, changes in assumptions, and benefit payments was excluded from the audit report's required supplementary information, although required for entities presenting OPEB plans by Section P52.137, and .139a of the <i>Codification of Government Accounting and Financial Reporting Standards</i>.</p>	<p>The District's audit firm has been in communication with the Auditor General's office and has promised to provide the information requested.</p> <p>Take action if not received by December 16, 2019</p>

Representative Williams moved that the Committee accept staff recommendations for the entities that have failed to provide the Auditor General with required Audit Report information as listed in the meeting packet, 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.

She further moved that the Chair, with the consent of the Vice Chair, be permitted to delay action against any of these entities, if additional information is brought to their attention that should be considered in determining the effective date of the Committee's action.

Motion passed unanimously.

### **Consideration of the Department of the Lottery's audit for the 2019-20 fiscal year**

Senator Brandes recognized Senator Baxley who moved that the Committee direct the Auditor General and OPPAGA to conduct the audit of the Department of Lottery for the 2019-20 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 passed unanimously.

With no further business before the Committee, Representative LaMarca moved to adjourn.