



808418

LEGISLATIVE ACTION

| | | |
|------------|---|-------|
| Senate | . | House |
| Comm: RCS | . | |
| 04/16/2009 | . | |
| | . | |
| | . | |
| | . | |

The Committee on Governmental Oversight and Accountability
(Dean) recommended the following:

1 **Senate Amendment to Amendment (371202) (with title**
2 **amendment)**

3
4 Delete lines 567 - 603
5 and insert:

6 Section 14. Section 218.39, Florida Statutes, is amended to
7 read:

8 218.39 Annual financial audit reports.—

9 (1) If, by the first day in any fiscal year, a local
10 governmental entity, district school board, charter school, or
11 charter technical career center has not been notified that a



12 financial audit for that fiscal year will be performed by the
13 Auditor General, each of the following entities shall have an
14 annual financial audit of its accounts and records completed
15 within 9 ~~12~~ months after the end of its fiscal year by an
16 independent certified public accountant retained by it and paid
17 from its public funds:

18 (a) Each county.

19 (b) Any municipality with revenues or the total of
20 expenditures and expenses in excess of \$250,000.

21 (c) Any special district with revenues or the total of
22 expenditures and expenses in excess of \$100,000.

23 (d) Each district school board.

24 (e) Each charter school established under s. 1002.33.

25 (f) Each charter technical center established under s.
26 1002.34.

27 (g) Each municipality with revenues or the total of
28 expenditures and expenses between \$100,000 and \$250,000 that has
29 not been subject to a financial audit pursuant to this
30 subsection for the 2 preceding fiscal years.

31 (h) Each special district with revenues or the total of
32 expenditures and expenses between \$50,000 and \$100,000 that has
33 not been subject to a financial audit pursuant to this
34 subsection for the 2 preceding fiscal years.

35 (2) The county audit report shall be a single document that
36 includes a financial audit of the county as a whole and, for
37 each county agency other than a board of county commissioners,
38 an audit of its financial accounts and records, including
39 reports on compliance and internal control, management letters,
40 and financial statements as required by rules adopted by the



808418

41 Auditor General. In addition to such requirements, if a board of
42 county commissioners elects to have a separate audit of its
43 financial accounts and records in the manner required by rules
44 adopted by the Auditor General for other county agencies, such
45 separate audit shall be included in the county audit report.

46 (3) (a) A dependent special district may make provision for
47 an annual financial audit by being included within the audit of
48 another local governmental entity upon which it is dependent. An
49 independent special district may not make provision for an
50 annual financial audit by being included within the audit of
51 another local governmental entity.

52 (b) A special district that is a component unit, as defined
53 by generally accepted accounting principles, of a local
54 governmental entity shall provide the local governmental entity,
55 within a reasonable time period as established by the local
56 governmental entity, with financial information necessary to
57 comply with this section. The failure of a component unit to
58 provide this financial information must be noted in the annual
59 financial audit report of the local governmental entity.

60 (4) A management letter shall be prepared and included as a
61 part of each financial audit report.

62 (5) At the conclusion of the audit, the auditor shall
63 discuss with the chair of the governing body of the ~~each~~ local
64 governmental entity or the chair's designee, or with the elected
65 official of each county agency or with the elected official's
66 designee, or with the chair of the district school board or the
67 chair's designee, or with the chair of the board of the charter
68 school or the chair's designee, or with the chair of the board
69 of the charter technical career center or the chair's designee,



808418

70 as appropriate, all of the auditor's comments that will be
71 included in the audit report. If the officer is not available to
72 discuss the auditor's comments, their discussion is presumed
73 when the comments are delivered in writing to his or her office.
74 The auditor shall notify each member of the governing body of a
75 local governmental entity, district school board, ~~or~~ charter
76 school, or charter technical career center for which
77 deteriorating financial conditions exist that may cause a
78 condition described in s. 218.503(1) to occur if actions are not
79 taken to address such conditions.

80 (6) The officer's written statement of explanation or
81 rebuttal concerning the auditor's findings, including corrective
82 action to be taken, must be filed with the governing body of the
83 local governmental entity, district school board, charter
84 school, or charter technical career center within 30 days after
85 the delivery of the auditor's findings.

86 (7) All audits conducted pursuant to this section must be
87 conducted in accordance with the rules of the Auditor General
88 adopted pursuant to s. 11.45. Upon completion of the audit
89 required by this section, the auditor shall prepare an audit
90 report in accordance with the rules of the Auditor General. The
91 audit report shall be filed with the Auditor General within 45
92 days after delivery of the audit report to the governing body of
93 the audited entity, but no later than 9 months after the end of
94 the audited entity's fiscal year. The audit report must include
95 a written statement describing corrective actions to be taken in
96 response to each of the auditor's recommendations included in
97 the audit report.

98 (8) The Auditor General shall notify the Legislative



808418

99 Auditing Committee of any audit report prepared pursuant to this
100 section which indicates that an audited entity has failed to
101 take full corrective action in response to a recommendation that
102 was included in the two preceding financial audit reports, in
103 which case the committee may direct the governing body of the
104 audited entity to provide a written statement to the committee
105 explaining why full corrective action has not been taken or, if
106 the governing body intends to take full corrective action,
107 describing the corrective action to be taken and when it will be
108 taken. If the committee determines that the written statement is
109 not sufficient, it may require the chair of the governing body
110 of the local governmental entity or the chair's designee, the
111 elected official of each county agency or the elected official's
112 designee, the chair of the district school board or the chair's
113 designee, the chair of the board of the charter school or the
114 chair's designee, or the chair of the board of the charter
115 technical career center or the chair's designee, as appropriate,
116 to appear before the committee. If the committee determines that
117 an audited entity has failed to take full corrective action for
118 which there is no justifiable reason for not taking such action,
119 or has failed to comply with committee requests made pursuant to
120 this section, the committee may proceed in accordance with s.
121 11.40(5)(a).

122 (9)(7) The predecessor auditor of a district school board
123 shall provide the Auditor General access to the prior year's
124 working papers in accordance with the Statements on Auditing
125 Standards, including documentation of planning, internal
126 control, audit results, and other matters of continuing
127 accounting and auditing significance, such as the working paper



808418

128 analysis of balance sheet accounts and those relating to
129 contingencies.

130 ~~(8) All audits conducted in accordance with this section~~
131 ~~must be conducted in accordance with the rules of the Auditor~~
132 ~~General promulgated pursuant to s. 11.45. All audit reports and~~
133 ~~the officer's written statement of explanation or rebuttal must~~
134 ~~be submitted to the Auditor General within 45 days after~~
135 ~~delivery of the audit report to the entity's governing body, but~~
136 ~~no later than 12 months after the end of the fiscal year.~~

137 (10)~~(9)~~ Each charter school and charter technical career
138 center must file a copy of its audit report with the sponsoring
139 entity; the local district school board, if not the sponsoring
140 entity; the Auditor General; and with the Department of
141 Education.

142 (11)~~(10)~~ This section does not apply to housing authorities
143 created under chapter 421.

144 (12)~~(11)~~ Notwithstanding the provisions of any local law,
145 the provisions of this section shall govern.

147 ===== T I T L E A M E N D M E N T =====

148 And the title is amended as follows:

149 Delete lines 700 - 702

150 and insert:

151 budget; amending s. 218.39, F.S.; revising the
152 timeframe for completing a local governmental entity's
153 annual financial audit; requiring that an auditor
154 prepare an audit report; requiring that such report be
155 filed with the Auditor General within a specified
156 time; requiring that the Auditor General notify the



808418

157 Legislative Auditing Committee of any audit report
158 indicating that an audited entity has failed to take
159 corrective action; requiring that the chair of a local
160 governmental entity appear before the committee under
161 certain circumstances; amending s. 373.536, F.S.;
162 requiring water management district