

1 A bill to be entitled
2 An act relating to children's services financial audit
3 reports; creating s. 125.903, F.S.; requiring
4 districts that provide children's services to have
5 annual financial audits conducted; specifying the
6 timeframe within which audit must be conducted;
7 specifying circumstances when the district must pay
8 for such audit; specifying contents of audit report;
9 requiring auditor to discuss results of the audit with
10 specified people; requiring auditor to notify certain
11 members of children's services council under specified
12 conditions; requiring council's explanation of an
13 audit report and additional information to be filed
14 with the district and the county within specified time
15 period; requiring all audits to be conducted in
16 accordance with rules of the Auditor General;
17 specifying time period within which each audit report
18 must be filed with the Auditor General; specifying
19 contents of audit report to the Auditor General;
20 requiring Auditor General to notify Legislative
21 Auditing Committee if a council has failed to take
22 corrective action within specified period of time;
23 specifying actions committee may take in assuring
24 appropriate corrective action has been or will be
25 taken; specifying actions committee may take if

26 | committee determines that a council has failed to take
 27 | appropriate corrective action; providing an effective
 28 | date.

30 | Be It Enacted by the Legislature of the State of Florida:

32 | Section 1. Section 125.903, Florida Statutes, is created
 33 | to read:

34 | 125.903 Children's services financial audit reports.-

35 | (1) If, by the first day in any fiscal year, a district
 36 | that provides children's services has not been notified that a
 37 | financial audit for that fiscal year will be performed by the
 38 | Auditor General, the district must retain an independent
 39 | certified public accountant to perform a financial audit of the
 40 | district's accounts and records. The audit must be completed
 41 | within 9 months after the end of the district's fiscal year and
 42 | be paid by the district from its funds.

43 | (2) The district audit report must be a single document
 44 | that includes a financial audit of the district as a whole and,
 45 | for the children's service council, an audit of its financial
 46 | accounts and records, including reports on compliance and
 47 | internal control, management letters, and financial statements
 48 | as required by rules adopted by the Auditor General.

49 | (3) A management letter shall be prepared and included as
 50 | part of each financial audit report.

51 (4) At the conclusion of the audit, the auditor shall
52 discuss the results of the audit with the chair of the
53 children's services council or the chair's designee, and the
54 auditor's comments will be included in the audit report. The
55 auditor shall notify each member of the council and the
56 commissioners of the county within which the district is located
57 when:

58 (a) Deteriorating financial conditions exist that may
59 cause a condition described in s. 218.503(1) to occur if actions
60 are not taken to address such conditions.

61 (b) A fund balance deficit in total or a deficit for that
62 portion of a fund balance not classified as restricted,
63 committed, or nonspendable, for which sufficient resources of
64 the district, as reported on the fund financial statements, are
65 not available to cover the deficit. Resources available to cover
66 reported deficits include fund balance or net assets that are
67 not otherwise restricted by federal, state, or local laws, bond
68 covenants, contractual agreements, or other legal constraints.

69 (5) The council's written statement of explanation or
70 rebuttal concerning the auditor's findings, including corrective
71 action to be taken, must be filed with the district and the
72 county within which the district is located within 30 days after
73 the delivery of the auditor's findings.

74 (6) All audits conducted pursuant to this section must be
75 conducted in accordance with the rules of the Auditor General

76 adopted pursuant to s. 11.45. The audit report shall be filed
77 with the Auditor General within 45 days after delivery of the
78 audit report to the council, but no later than 9 months after
79 the end of the council's fiscal year. The audit report must
80 include a written statement describing corrective actions to be
81 taken in response to each of the auditor's recommendations
82 included in the audit report.

83 (7) The Auditor General shall notify the Legislative
84 Auditing Committee of any audit report prepared pursuant to this
85 section which indicates that a council has failed to take full
86 corrective action in response to a recommendation that was
87 included in the two preceding financial audit reports.

88 (a) The committee may direct the council to provide a
89 written statement to the committee explaining why full
90 corrective action has not been taken or, if the council intends
91 to take full corrective action, describing the corrective action
92 to be taken and when it will occur.

93 (b) If the committee determines that the written statement
94 is not sufficient, it may require the chair of the council or
95 the chair's designee to appear before the committee.

96 (c) If the committee determines that a council has failed
97 to take full corrective action for which there is no justifiable
98 reason for not taking such action, or has failed to comply with
99 committee requests made pursuant to this section, the committee
100 may proceed in accordance with s. 11.40(2).

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101 | Section 2. This act shall take effect July 1, 2019. |