

1 A bill to be entitled
2 An act relating to special district accountability;
3 creating s. 189.0695, F.S.; providing a definition;
4 requiring certain independent special districts to
5 contract with an independent entity to conduct
6 performance audits; providing an exception; specifying
7 the frequency of such audits; requiring the Office of
8 Program Policy Analysis and Governmental
9 Accountability to conduct performance audits of
10 certain classifications of independent special
11 districts; providing criteria for contracting for such
12 audits; requiring the performance audits to be
13 reported by a time certain; amending s. 218.32, F.S.;
14 requiring additional information to be reported by
15 special districts in the annual report; amending s.
16 218.39, F.S.; requiring certain data be included in
17 financial audits of special districts; requiring
18 certain community redevelopment agencies to file
19 separate audited financial statements; conforming
20 provisions to changes made by the act; providing an
21 effective date.

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23 Be It Enacted by the Legislature of the State of Florida:

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25 Section 1. Section 189.0695, Florida Statutes, is created

26 | to read:

27 | 189.0695 Independent special districts; performance
28 | audits.-

29 | (1) The term "performance audit" has the same meaning as
30 | in s. 11.45(1).

31 | (2) (a) Each independent special district as described in
32 | paragraph (c) must contract with an independent entity to
33 | conduct a performance audit of the district. The Office of
34 | Program Policy Analysis and Government Accountability must
35 | generate a list of independent entities qualified to perform the
36 | performance audit and the independent special district must
37 | select an independent entity from the list. To be included on
38 | the list, an entity must have at least 5 years of experience
39 | conducting performance audits, must conduct audits according to
40 | applicable auditing or evaluation standards of appropriate
41 | authoritative bodies, and must follow any applicable industry
42 | best practices.

43 | (b) The entity's final report of the performance audit
44 | must be filed with the governing board of the district, the
45 | Auditor General, the President of the Senate, and the Speaker of
46 | the House of Representatives no later than 9 months from the
47 | beginning of the district's fiscal year according to the
48 | schedule provided in paragraph (c). However, a performance audit
49 | of a district conducted by the Auditor General during the same
50 | fiscal year in which a performance audit is due pursuant to

51 paragraph (c) qualifies as that district's scheduled performance
52 audit under this section.

53 (c)1. Beginning October 1, 2021, and every 5 years
54 thereafter, each independent special fire control district as
55 defined in s. 191.003, must have a performance audit conducted.

56 2. Beginning October 1, 2022, and every 5 years
57 thereafter, each hospital licensed under chapter 395 which is
58 governed by the governing body of a special district as defined
59 in s. 189.012 or by the board of trustees of a public health
60 trust created under s. 154.07, must have a performance audit
61 conducted.

62 (3) The Office of Program Policy Analysis and Government
63 Accountability must conduct a performance audit of all
64 independent special districts within the classifications
65 described in paragraphs (a) and (b). The performance audit must
66 compare the services provided by each district examined with
67 similar services provided by the county and municipal
68 governments wholly or partially within the boundaries of the
69 district, expressly stating the similarities and differences,
70 and relative costs and efficiencies, between the services
71 provided by the district and those provided by the relevant
72 counties and municipalities. The Office of Program Policy
73 Analysis and Government Accountability shall submit the final
74 report of the performance audit to the President of the Senate
75 and the Speaker of the House of Representatives as follows:

76 (a) For all independent mosquito control districts as
 77 defined in s. 388.011, no later than September 30, 2023.

78 (b) For all soil and water conservation districts as
 79 defined in s. 582.01, no later than September 30, 2024.

80 Section 2. Paragraph (e) of subsection (1) of section
 81 218.32, Florida Statutes, is amended to read:

82 218.32 Annual financial reports; local governmental
 83 entities.—

84 (1)(e)1. Each local governmental entity that is not
 85 required to provide for an audit under s. 218.39 must submit the
 86 annual financial report to the department no later than 9 months
 87 after the end of the fiscal year. The department shall consult
 88 with the Auditor General in the development of the format of
 89 annual financial reports submitted pursuant to this paragraph.
 90 The format must include balance sheet information used by the
 91 Auditor General pursuant to s. 11.45(7)(f). The department must
 92 forward the financial information contained within the annual
 93 financial reports to the Auditor General in electronic form.
 94 This paragraph does not apply to housing authorities created
 95 under chapter 421.

96 2. The annual financial report filed by a dependent
 97 special district or an independent special district shall
 98 specify separately:

99 a. The total number of district employees.

100 b. The amounts budgeted by the district for employee

101 salaries and the amounts budgeted for employee benefits.

102 c. Each construction project approved by the district to
103 begin after October 1 of the fiscal year being reported together
104 with the amount budgeted for such project.

105 3. The annual financial report of an independent special
106 district that imposes ad valorem taxes shall include the millage
107 rate or rates imposed by the district, the total amount of ad
108 valorem taxes collected by or on behalf of the district, and the
109 total amount of outstanding bonds issued by the district and the
110 terms of such bonds.

111 4. The annual financial report of an independent special
112 district that imposes non-ad valorem special assessments shall
113 include the rate or rates of such assessments imposed by the
114 district, the total amount of special assessments collected by
115 or on behalf of the district, and the total amount of
116 outstanding bonds issued by the district and the terms of such
117 bonds.

118 Section 3. Paragraph (h) of subsection (1) of section
119 218.39, Florida Statutes, is redesignated as paragraph (i), a
120 new paragraph (h) is added to that subsection, and subsection
121 (3) of that section is amended to read:

122 218.39 Annual financial audit reports.—

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

126 financial audit for that fiscal year will be performed by the
127 Auditor General, each of the following entities shall have an
128 annual financial audit of its accounts and records completed
129 within 9 months after the end of its fiscal year by an
130 independent certified public accountant retained by it and paid
131 from its public funds:

132 (h) As required by s. 163.387(8)(a), each community
133 redevelopment agency with revenues or a total of expenditures
134 and expenses in excess of \$100,000, as reported on the trust
135 fund financial statements.

136 (3)(a) A dependent special district, excluding a community
137 redevelopment agency with revenues or a total of expenditures
138 and expenses in excess of \$100,000, as reported on the trust
139 fund financial statements, may provide for an annual financial
140 audit by being included in the audit of the local governmental
141 entity upon which it is dependent. An independent special
142 district may not make provision for an annual financial audit by
143 being included in the audit of another local governmental
144 entity.

145 (b) A special district that is a component unit, as
146 defined by generally accepted accounting principles, of a local
147 governmental entity shall provide the local governmental entity,
148 within a reasonable time period as established by the local
149 governmental entity, with financial information necessary to
150 comply with this section. The failure of a component unit to

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151 provide this financial information must be noted in the annual
152 financial audit report of the local governmental entity.

153 (c) The financial audit of a dependent special district or
154 of an independent special district, or the financial audit of a
155 local governmental entity including the information of a
156 dependent special district as provided in paragraph (a) of this
157 subsection, shall separately include and specify the information
158 required in s. 218.32(1)(e)2.

159 Section 4. This act shall take effect October 1, 2021.