

By Senator Albritton

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1                   A bill to be entitled  
2           An act relating to special district accountability;  
3           creating s. 189.0695, F.S.; defining the term  
4           "performance audit"; requiring certain independent  
5           special districts to contract with an independent  
6           entity to conduct performance audits; providing an  
7           exception; specifying the frequency of such audits;  
8           requiring the Office of Program Policy Analysis and  
9           Government Accountability to conduct performance  
10          audits of certain classifications of independent  
11          special districts; providing criteria for contracting  
12          for such audits; requiring the performance audits to  
13          be reported by a time certain; amending s. 218.32,  
14          F.S.; requiring additional information to be reported  
15          by special districts in the annual report; amending s.  
16          218.39, F.S.; requiring that certain data be included  
17          in 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.

22  
23 Be It Enacted by the Legislature of the State of Florida:

24  
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 in

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30 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 must  
44 be filed with the governing board of the district, the Auditor  
45 General, the President of the Senate, and the Speaker of the  
46 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 thereafter,  
57 each hospital licensed under chapter 395 which is governed by  
58 the governing body of a special district as defined in s.

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59 189.012 or by the board of trustees of a public health trust  
60 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

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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 special  
97 district or an independent special district shall specify  
98 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

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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 defined

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146 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  
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.