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## **Finance and Tax Committee**

Thursday, January 22, 2015

3:30 p.m. – 6:00 p.m.

Morris Hall

**MEETING PACKET**

**REVISED**

# The Florida House of Representatives

## Finance and Tax Committee



**Steve Crisafulli**  
**Speaker**

**Matt Gaetz**  
**Chair**

### **AGENDA**

January 22, 2015  
3:30 p.m. – 6:00 p.m.  
Morris Hall

- I. Call to Order/Roll Call
- II. Chair's Opening Remarks and Introductions
- III. Legislative Concepts for Financial Accounting Reform, presentation by Office of the Auditor General
- IV. Workshop on capital recovery concepts
- V. Closing Remarks and Adjournment

# Failed Compliance with Audits

- SQ: Only auditor general, DFS or division of bond finance @ SBA can refer a non-compliant local government to JLAC
- AG: Add Governor and Commissioner of Education to list of referring entities
- FT: If the government entity is subject to further action by JLAC – governing board and CFO get no compensation

# Non-Transparent Local Governments

- **SQ:** Each year various government entities are required to conduct internal audits. If school district, charter school, college or university don't make those audit public, the AG tattles on them to the legislature.
- **AG:** Add local governments
- **FT:** Also report to local legislative delegation
  - Other remedies?

# Clerks of Court

- **SQ:** When Clerks office isn't performing their finance-related duties, Florida Clerk of Courts Corporation must report the deficiency to "the legislature"
- **AG:** Quarterly reporting
- **FT:** Add legislative delegation
  - Other remedies?

# County Budget Transparency

- **SQ:** Tentative budget 2 days before public hearing; Final budget; within 30 days after adoption.
- **AG:** Tentative budget stay online 30 days; final budget stay 5 years.
- **Other ideas?** (Ours 72 hrs)

# CRA's

- **SQ:** (1) list of things a CRA can do says “included but not limited to; (2) CRA's not necessarily audited along with government entity.
- **AG:** (1) strike “limited to” - promotional activities; (2) audit at same time.

# Budget Transparency for Cities

- Same as section 4 – but applied to municipalities



# Budget Amendments for Cities

- Same as section 5 – but applied to municipalities

# State Agencies and Judicial Branch Fraud Controls and Attestation

- **SQ:** required to have “internal controls” to “safeguard assets”
- **AG:** controls must be, “designed to prevent and detect fraud, waste and abuse...”
- **FT:** Signed attestation of each agency head, in writing and under oath to AG.

# Audit and Financial Report Inconsistencies

- **SQ:** Each year local governments must conduct an audit and must produce a financial report. FR includes revenues and expenditures – in more detail than audit report. If the audit report and the financial report are inconsistent, there is no requirement that the audit report state the inconsistencies.
- **AG:** Recommend that if there is substantial variation, that must be stated. If variation, AG has right to request additional info, local government must provide in 45 or be referred to JLAC
- **FT:** If no response in 45, also notify local legislative delegation.
- **Question:** What else should happen if there are inconsistencies?

# Section 11

- SAME AS 9 – Local Governments

# Audit Communities and Auditor Rotation

- **AUDIT COMMITTEES**
- **SQ:** Audit committee (for most part) must exist – but no guidance on who can serve and size.
- **AG:** All members of committee must be members of governing body, must be at least 3 members. Not CFO.
- **AUDITOR ROTATION**
- **SQ:** no auditor rotation
- **AG:** yes rotation (5 years)

# Conforming Technical Change

# Inventorying

- **SQ** – counties and special districts must inventory tangible personal property
- **AG** – apply to all local governments

# Section 15

- Same as Section 4 -- WMD