



ANNUAL REPORT

2016

November 1, 2015, Through October 31, 2016

LEGISLATIVE AUDITING COMMITTEE

2014 - 2016



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The Legislative Auditing Committee is established by Joint Rules of the Florida Legislature and its membership consists of members appointed from each house. The Committee may direct the Auditor General to conduct an audit, review, or examination of any entity or record as specified in Section 11.45(3), Florida Statutes. This includes State agencies, counties, municipalities, special districts, district school boards, charter schools, and numerous other government organizations, as well as nongovernmental agencies, corporations, and persons who have received any appropriation made by the Legislature.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
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November 30, 2016

The Honorable Joe Negron
President of the Senate
409 The Capitol
Tallahassee, Florida 32399-1100

The Honorable Richard Corcoran
Speaker of the House of Representatives
420 The Capitol
Tallahassee, Florida 32399-1300

Dear President Negron and Speaker Corcoran:

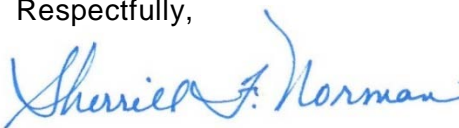
I am pleased to provide the Auditor General's Annual Report for the period November 1, 2015, through October 31, 2016. In accordance with Section 11.45(7)(h), Florida Statutes, this Annual Report includes a list of statutory and fiscal changes recommended by the Auditor General for legislative consideration as well as our Projected 2-Year Work Plan identifying the audit and other accountability activities expected to be undertaken during the 2017-18 and 2018-19 fiscal years. The Projected 2-Year Work Plan is a risk-based plan developed considering both the audit frequency requirements in State law and information obtained from the Legislature and other sources concerning areas of audit interest and operational risk.

This Annual Report also provides a brief description of our Office and a summary of the audit and other accountability activities we performed during the 12-month period November 1, 2015, through October 31, 2016. These audits and other accountability activities include assignments made to our Office both in law and by legislative directive. During this period, we issued over 200 reports related to operational, financial, and Federal awards audits and attestation examination engagements of State and local governmental entities.

In October 2016, a team from the National State Auditors Association (NSAA) completed an independent review of our Office's work. I am pleased to inform you that our Office received a rating of "pass," which is the highest rating an audit organization can receive from an NSAA peer review team. A copy of the peer review team's report is included herewith.

We appreciate the Legislature's interest in our audit work and reports. Please let me know if you have any questions regarding this Annual Report or if we can be of any additional service to you in your service to the citizens of Florida.

Respectfully,


Sherrill F. Norman

c: Members of the House and Senate
Chiefs of Staff
Committee Staff Directors



PEER REVIEW REPORT

October 21, 2016

The Honorable Sherrill Norman, CPA
State of Florida, Office of the Auditor General
Suite G72-E, 111 West Madison Street
Tallahassee, Florida 32399-1450

We have reviewed the system of quality control of the Florida Office of the Auditor General (the office) in effect for the period September 1, 2015 through August 31, 2016. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of the Florida Office of the Auditor General in effect for the period September 1, 2015 through August 31, 2016 has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. **The Florida Office of the Auditor General has received a peer review rating of *pass*.**

David W. Webb, CPA
Team Leader
External Peer Review Team
National State Auditors Association

Joseph Schussler, CPA, CGFM
Concurring Reviewer
External Peer Review Team
National State Auditors Association

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OUR OFFICE



The Auditor General is:

- ◆ *A Constitutional Officer*
- ◆ *A Legislative Officer*
- ◆ *A Certified Public Accountant*
- ◆ *The State's Independent External Auditor*

Our Vision

Excellence in auditing for the benefit of Floridians.

Our Core Values

- ◆ **Integrity** – Commitment to ethical conduct and truthfulness in all relationships.
- ◆ **Independence and Objectivity** – Being mindful of the reliance that is placed on our work and, therefore, taking a fact-based, nonpartisan, unbiased, fair, and balanced approach to all activities.
- ◆ **Accountability** – Holding ourselves accountable and being responsible for our actions, taking pride in our professionalism, striving for efficiency in our performance, and committing to the highest performance standards.

Our Mission

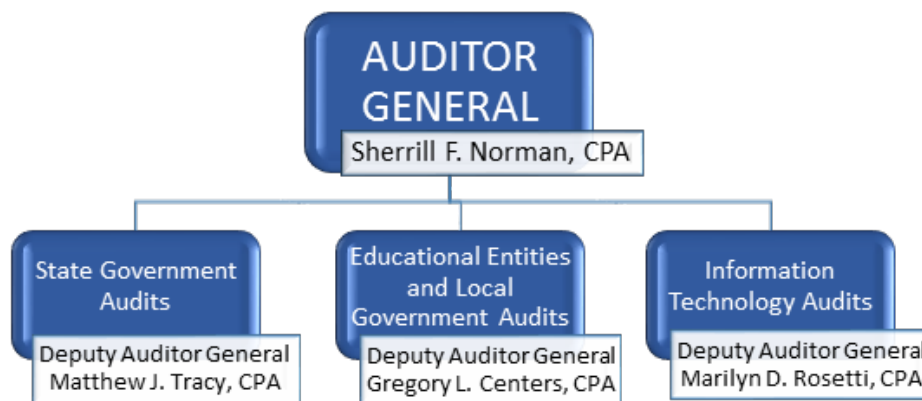
As the State's independent external auditor, the Auditor General provides unbiased, timely, and relevant information that the Legislature, Florida's citizens, public entity management, and other stakeholders can use to promote government accountability and stewardship and improve government operations. Specifically, the Auditor General:

- ◆ Audits financial statements to provide the Legislature and other users of financial statements independent assurance of the reliability of the financial statement information provided by government managers.
- ◆ Identifies and audits those operating units, programs, activities, functions, and transactions considered most vulnerable should a significant breakdown in internal control occur.
- ◆ Communicates, by an on-site presence and through examination, the Legislature's expectation that public entity management and employees are accountable for the proper administration of public funds and the achievement of entity objectives.
- ◆ Reports on whether expenditures of Federal, State, and local funds serve a public purpose and are made in compliance with applicable laws, rules, regulations, contracts, grant agreements, best practices, and other guidelines and whether government programs, activities, and functions are administered in an economic, efficient, and effective manner.

- ◆ Reports on whether governmental entities have established proper internal controls that reasonably ensure that financial reports and records are reliable; assets are safeguarded; and fraud, waste, abuse, and noncompliance are prevented and detected.

Our Organization

The organizational structure of the Auditor General's Office consists of three divisions: the State Government Audits Division, the Educational Entities and Local Government Audits Division, and the Information Technology Audits Division. Each Division is led by a Deputy Auditor General. Management and staff of the organizational units work in coordination to meet the Auditor General's goals and objectives. Contact information for the Auditor General, each Deputy Auditor General, and other Auditor General management with reporting responsibilities is included as **EXHIBIT D** of this report.



While our Office headquarters is in Tallahassee, approximately half of our professional audit staff are assigned to various other locations throughout the State.



Our People

Delivering high-quality audit work products efficiently and effectively requires a competent, dedicated, and enthusiastic workforce. Many of our 360 full-time equivalent positions are held by audit professionals with various professional accounting and audit-related certifications. For example, as of October 31, 2016, our audit professionals included:

- ◆ 178 Certified Public Accountants.
- ◆ 19 Certified Information Systems Auditors.
- ◆ 11 Certified Fraud Examiners.

What We Do

Sections 11.42 and 11.45, Florida Statutes, set forth the general authority and duties of the Auditor General. Independently, and in accordance with applicable professional standards, the Auditor General:

- ◆ Conducts financial audits of the accounts and records of State government, State universities, State colleges, and school districts.
- ◆ Conducts operational and performance audits of public programs, activities, and functions and information technology systems and performs related duties as prescribed by law, concurrent resolution of the Legislature, or as directed by the Legislative Auditing Committee.
- ◆ Adopts rules, in consultation with the Florida Board of Accountancy, for audits performed by independent certified public accountants of local governmental entities, charter schools, charter technical career centers, school districts, and certain nonprofit and for-profit organizations.
- ◆ Conducts reviews of audit reports of local governmental entities, charter schools, charter technical career centers, school districts, and certain nonprofit and for-profit organizations.
- ◆ Conducts examinations of school districts' and other entities' records, as appropriate, to evaluate compliance with State requirements governing the determination and reporting of full-time equivalent (FTE) student counts reported to the Department of Education and used to determine Florida Education Finance Program FTE Students and Student Transportation funding allocations.
- ◆ Conducts quality assessment reviews of the internal audits performed by State agency offices of inspectors general.

The Auditor General performs audits and other engagements in accordance with generally accepted government auditing standards as set forth by the Comptroller General of the United States in *Government Auditing Standards*. *Government Auditing Standards* are applicable to financial and performance audits and attestation engagements and incorporate applicable auditing standards promulgated by the American Institute of Certified Public Accountants (AICPA). *Government Auditing Standards* require that, in all matters relating to audit work, the Auditor General and each individual auditor must maintain independence and avoid situations that could lead reasonable and informed persons to conclude that the auditors are not independent. Our independence and core values, along with the collective knowledge and skills of our staff, provide the basis for our credibility.

Our Quality Control

Government Auditing Standards require us to undergo an independent review of our system of quality control at least once every 3 years. In October 2016, a team from the National State Auditors Association (NSAA) conducted such a review that covered engagements with reports issued during the period September 1, 2015, through August 31, 2016. Our Office received a rating of “pass,” which is the highest rating an audit organization can receive from an NSAA peer review team. This rating means that the Auditor General’s system of quality control provided reasonable assurance that our Office’s work conformed to *Government Auditing Standards* and is evidence of the quality and professionalism of our staff. The peer review team’s report is included in this Annual Report and is also available on our Web site. Our next external peer review will be conducted in the fall of 2019.

Our Strategic Goals and Objectives

In recognition of our statutory duties and mission and within the framework of our core values, our work is planned and managed to address strategic objectives established to assist us in accomplishing our two primary strategic goals:

- ◆ Our **Professional Services Goal** is to provide timely, quality information to the Legislature and Florida’s citizens relative to the financial accountability and stewardship of public officials. This goal encompasses multiple services directed toward financial reporting, legal compliance, and government operations.
- ◆ Our **Professional Development Goal** is to maximize the value of the Auditor General’s work by continuing to promote quality, professionalism, and productivity. The Auditor General encourages all staff to pursue professional certifications and requires that all management staff with responsibilities for audits or attestations hold applicable certifications, such as certified public accountant (CPA) or, when appropriate, certified information systems auditor (CISA). To enhance their technical proficiency, our professional audit staff receive a minimum of 80 hours of continuing professional education (CPE) in every 2-year period. Some of the CPE sessions are led by specialist guest speakers or external subject experts, but we also recognize the importance of fostering the speaking and presentation skills of our own staff. Accordingly, we give our people the opportunity to present on topics within their areas of expertise.

Our strategic objectives are:

Objective 1	Improve the operations and accountability of public entities.
Objective 2	Identify and audit essential government topics of specific interest to the Legislature.
Objective 3	Conduct audits and other engagements (examinations and other attestations) in accordance with applicable professional auditing standards.
Objective 4	Timely conduct all engagements in a cost-efficient manner.
Objective 5	Recruit and retain highly qualified, highly skilled staff.
Objective 6	Provide staff with an organizational environment and professional opportunities that promote job satisfaction.
Objective 7	Provide staff with the training, opportunities, technology, and encouragement needed to enhance professional competencies and effectively and efficiently complete audits and other assignments.
Objective 8	Continue to build on the Auditor General’s reputation as a leader in the auditing and government financial reporting communities.

Our Reports

Our audits and other accountability activities focus on executive branch (State) agencies, judicial branch entities, educational entities, local governmental entities, and certain other entities. A listing of all reports released during the period November 1, 2015, through October 31, 2016, is included in this report as ***EXHIBIT B***. An overview of our audits and other accountability activities completed during the period November 1, 2015, through October 31, 2016, begins on page 13 of this Annual Report. Copies of audit and other reports are available on our Web site at www.myflorida.com/audgen/ and are distributed as appropriate and upon request to:

- ◆ Legislative members and staff.
- ◆ Governing boards and management of governmental entities.
- ◆ Federal Government officials.
- ◆ Bond rating agencies.
- ◆ Florida's citizens.
- ◆ The media.
- ◆ Other interested parties.

RECOMMENDED STATUTORY AND FISCAL CHANGES

Various provisions of State law require the Auditor General to conduct audits, examinations, or reviews of government programs, activities, and functions and report the results thereof to the President of the Senate, the Speaker of the House of Representatives, the Legislative Auditing Committee, senior management of the audited entity, and, as applicable, Federal grantor agencies. These reports have been provided as required by law, and many include findings and recommendations focusing on the need for management actions to improve the audited entities' level of legal compliance and internal controls relevant to legal compliance, economy and efficiency, financial reporting and records, and the safeguarding of assets. In addition, Section 11.45(7)(h), Florida Statutes, provides in part that the Auditor General shall annually compile and transmit to the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee by December 1 of each year a list of statutory and fiscal changes recommended by the Auditor General.

The following recommended statutory and fiscal changes are provided to the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee for consideration. These recommendations either were included in our audit reports during the past few audit cycles or arose during the course of performing the duties assigned to the Auditor General. The recommendations are presented by policy area to facilitate their use by the various legislative committees. Auditor General staff are available to discuss these recommendations with legislative members and staff. Contact information for the management staff referenced below is provided in ***EXHIBIT D*** of this report.

Policy Areas: Senate Education Pre-K - 12 House Education

- ◆ **Florida Virtual School** – The Legislature should consider revising Section 1002.37, Florida Statutes, to clarify the frequency of required Florida Virtual School operational audits.

Audit Report Number: 2014-090
Audit Director: James R. Stultz, CPA

- ◆ **Florida Virtual School** – The Legislature should consider amending Section 1002.37, Florida Statutes, to specify the time frame for submittal of the Florida Virtual School's annual financial audit report.

Audit Director: James R. Stultz, CPA

Policy Areas: Senate Community Affairs House Local and Federal Affairs

- ◆ **Community Development Districts** – The Legislature should consider amending Chapter 190, Florida Statutes, to establish parameters addressing the amount of bonds a community development district (CDD) may issue and oversight responsibility for CDD bond issuances.

Audit Report Number: 2015-036

Audit Manager: Michael J. Gomez, CPA

- ◆ **Community Redevelopment Agencies (CRAs)** – The Legislature should consider the following revisions to Chapter 163, Florida Statutes:

- Amend Chapter 163, Florida Statutes, to require county approval for the adoption and amendment of all municipal CRA plans.
- Repeal Section 163.362(11), Florida Statutes, to impose the same requirements as to the contents of CRA plans on all CRAs.
- Amend Section 163.387(6), Florida Statutes, to be more specific as to the types of expenditures that qualify as undertakings of a CRA, particularly with respect to promotional activities.
- Amend Section 163.387(7), Florida Statutes, to provide the CRAs with the ability to establish reserves for mitigating current and future risks and to exempt the reserves from the ending balance disposition requirements.
- Amend Section 163.387(8), Florida Statutes, to require that the audit of the CRA trust fund include a determination of compliance with Sections 163.387(6) and 163.387(7), Florida Statutes.

Audit Report Number: 2015-037

Audit Manager: Michael J. Gomez, CPA

- ◆ **Local Governments** – The Legislature should consider the following statutory recommendations relating to local governments:

- Enact a law that requires local governments to adopt a minimum general fund unrestricted fund balance policy or to maintain a certain level of general fund unrestricted fund balance.
- Amend the budget transparency laws to specify time periods for the tentative budget, final budget, and budget amendments to remain on a local government's Web site.
- Amend Section 11.45(7)(i), Florida Statutes, to require notification of the President of the Senate, the Speaker of the House of Representatives, and the Department of Financial Services of all local governments that fail to comply with transparency requirements.
- Amend Section 218.391, Florida Statutes, to specify the composition of the audit committee for local governments other than noncharter counties and to require local governments to perform auditor selection procedures at specified intervals.
- Establish provisions in law to encourage local governments to comply with the auditor selection procedures in Section 218.391, Florida Statutes.
- Revise the definition of "governmental unit" in Section 274.01, Florida Statutes, to include all "local governmental entities" as that term is defined in Section 218.31, Florida Statutes.

Audit Report Number: 2015-037

Audit Manager: Michael J. Gomez, CPA

◆ **Local Government Bond Issues** – The Legislature should consider the following revisions to Chapter 218, Florida Statutes:

- Amend Sections 218.38 and 218.385, Florida Statutes, to require local governments to document the conditions favoring a negotiated or private placement sale and provide such documentation to the State Board of Administration, Division of Bond Finance.
- Amend Section 218.385, Florida Statutes, to require local governments to select financial advisors and bond counsel using a competitive selection process whereby requests for proposals or quotes are solicited from a reasonable number of professionals and, for negotiated bond issues, to use requests for proposals to solicit qualified underwriting firms to serve as the underwriter.
- Amend Section 218.385(1), Florida Statutes, to require local governments to use a financial advisor that is independent of the underwriter or to otherwise demonstrate that the local governments have staff with sufficient expertise to act in a financial advisor capacity.

Audit Report Number: 2015-037

Audit Manager: Michael J. Gomez, CPA

◆ **Special Districts** – The Legislature should consider revising Chapter 189, Florida Statutes, to provide the Department of Economic Opportunity the authority to determine whether an entity is a special district.

Audit Report Number: 2015-037

Audit Manager: Michael J. Gomez, CPA

Policy Areas: Senate Community Affairs
House Finance and Tax
House Local and Federal Affairs

◆ **Ad Valorem Tax Program** – The Legislature should consider revising Section 193.011, Florida Statutes, to require disclosure of the data elements to be considered in 8th factor adjustments made by county property appraisers when valuing property.

Audit Report Number: 2016-076

Audit Manager: Kathryn D. Walker, CPA

Policy Areas: Senate Judiciary
House Judiciary

◆ **Judicial Agencies** – The Legislature should consider requiring the Justice Administrative Commission and the agencies it administratively supports to jointly employ an internal auditor or provide for internal audit services by interagency agreement with a State agency. An internal auditor should have the same qualifications and perform the applicable duties of State agency directors of auditing as provided in Section 20.055, Florida Statutes.

Audit Report Number: 2015-061

Audit Manager: Michael J. Gomez, CPA

Policy Areas: Senate Governmental Oversight and Accountability
Senate Community Affairs
Senate Judiciary
House State Affairs
House Local and Federal Affairs
House Judiciary

- ◆ **Internal Controls** – The Legislature should consider amending applicable Florida Statutes to establish in law the responsibility of each State and local government for the establishment and maintenance of management systems and internal controls designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets.

Deputy Auditor Generals: Gregory L. Centers, CPA, and Matthew J. Tracy, CPA

WORK PLAN

Types of Engagements

Various statutory provisions provide the framework for the development of our work plan. Pursuant to law, we perform four major types of engagements – financial, operational, performance, and attestation examinations. Descriptions of these major types of engagements are presented below:

Financial Audits Government managers are responsible for the stewardship of financial resources and for preparing financial statements that conform to accounting principles promulgated by the Governmental Accounting Standards Board (GASB). Our audits of the various entities' financial statements provide the Legislature, Florida's citizens, investors, bond rating agencies, and other users of the financial statements independent assurance of the reliability of the financial statement information provided by government managers. Such independent assurance is given in the form of an opinion on the financial statements and is preceded by the performance of a rigorous examination of the entity's financial records and related representations made by government officials. The nature, timing, and extent of the work performed are governed by professional standards issued by the AICPA and the Comptroller General of the United States in *Government Auditing Standards*. Under those standards, consideration of information technology internal controls is often an essential and significant part of the financial audit process because public entity operations and business processes are usually dependent on information technology.

Financial audits may include audit procedures to evaluate the entity's compliance with requirements that could have a direct and material effect on each major Federal awards program and the effectiveness of internal controls established by management to consistently ensure compliance therewith. That is because, as a condition of receiving Federal funds, the United States Office of Management and Budget (OMB) requires a Single Audit of the recipient's financial statements and major Federal awards programs. The audit is referred to as a Single Audit because it is an organization-wide audit that includes, within its scope, work designed to meet the oversight needs of many Federal and pass-through grantors and State accountability officials. For entities with fiscal years beginning prior to December 26, 2014, the Single Audit was to be performed in accordance with audit requirements cited in OMB Circular A-133, as well as applicable professional standards issued by the AICPA and *Government Auditing Standards*. Audit requirements for entities with fiscal years beginning on or after December 26, 2014, are located in the OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Title 2, Part 200, Code of Federal Regulations).

Operational Audits Operational audits evaluate management's performance in establishing and maintaining internal controls, including internal controls designed to prevent and detect fraud, waste, abuse, and noncompliance, and in administering assigned responsibilities in accordance with applicable laws, rules, contracts, grant agreements, and other guidelines. Operational audits examine internal controls, including information technology internal controls, that are designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of financial records and reports, and safeguarding of assets, and identify weaknesses in those internal controls. Operational audits may also include comparisons of the performance of a program, activity, or function of a governmental entity to

specific criteria. Our operational audits include a broad array of operational areas and are conducted in accordance with applicable *Government Auditing Standards*. The areas of operations included within the scope of operational audits are determined through risk assessment processes that, among other procedures, include inquiries of legislative staff concerning areas of concern and interest to the Legislature.

Performance Audits Performance audits examine a program, activity, or function of a governmental entity with respect to issues such as economy, efficiency, and effectiveness of a program; the adequacy of a program to meet the needs identified by the Legislature or governing body; alternative methods of providing program services or products; the accuracy or adequacy of public documents, reports, or requests prepared under a program by the public entity; and compliance of a program with appropriate policies, rules, or laws. Performance audits are conducted in accordance with applicable *Government Auditing Standards*.

Attestation Examinations Attestation examinations consist of obtaining sufficient, appropriate evidence to express an opinion on whether the subject matter of the examination is based on (or in conformity with) specified criteria in all material respects or an assertion is presented, in all material respects, based on the specified criteria. Examination engagements are conducted in accordance with the Standards for Attestation Engagements issued by the AICPA and applicable *Government Auditing Standards*. Our evaluations of school district and other entities' compliance with State requirements governing the determination and reporting of full-time equivalent students under the Florida Education Finance Program and the number of students transported are attestation examination engagements.

Work Plan Development Process

In the development of our work plan, we first consider legal requirements establishing the frequency of the audits and other accountability activities. Pursuant to law, we are to conduct annual financial audits of the State of Florida, the State Board of Administration Local Government Surplus Funds Trust Fund, State universities, State colleges, and school districts in counties with populations of less than 150,000. We are to conduct financial audits of school districts in counties with populations of 150,000 or more every 3 years. In addition, at the direction of the Legislative Auditing Committee, we also conduct a financial audit of the Department of the Lottery. Also, pursuant to Chapter 2016-62, Laws of Florida, we are to conduct a financial audit of the Florida School for the Deaf and the Blind for the fiscal year ending June 30, 2017.

For various other audits and accountability activities, a minimum frequency is also established in law. For example, operational audits of each State agency, State university, State college, school district, water management district, the Florida Clerks of Court Operations Corporation, and the Florida School for the Deaf and the Blind are required to be conducted at least once every 3 years. In planning for these audits, we obtain information from legislative staff and other sources concerning areas of interest and operational risks. Operational risks are characteristics of government operations that may make a government program more susceptible to instances of fraud, waste, abuse, material reporting errors, or noncompliance with governing requirements. This information is used to develop a risk-based work plan that provides audit coverage of each entity during the 3-year cycle.

2016-17 Work Plan

Our 2016-17 Work Plan encompassed a wide variety of programs, activities, and functions administered by many entities. Some of the unique projects on our 2016-17 Work Plan included operational audits of the oversight and administration of State Mental Health Treatment Facilities by the Department of Children and Families; selected programs, activities, and functions of the Florida Housing Finance Corporation; entity-wide information technology risk assessments at various State agencies; and construction activities at the Leon County District School Board.

An overview of our audits and other accountability activities completed during the period November 1, 2015, through October 31, 2016, begins on page 13 of this Annual Report. A listing of all reports released during the period November 1, 2015, through October 31, 2016, is included in this report as **EXHIBIT B**. Additionally, a listing of reports released or scheduled to be released subsequent to October 31, 2016, and by March 31, 2017, is included in this report as **EXHIBIT C**.

Projected 2-Year Work Plan

Section 11.45(7)(h), Florida Statutes, provides, in part, that the Auditor General shall transmit to the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee by December 1 of each year a projected 2-year work plan identifying the audits and other accountability activities to be undertaken by the Auditor General. Our *Projected Work Plan* encompassing the work planned for the 2017-18 and 2018-19 fiscal years is included in this report as **EXHIBIT A**. As appropriate, modifications to the work plan may be made in response to law changes, legislative requests, and other considerations.

OVERVIEW OF AUDIT AND ACCOUNTABILITY ACTIVITIES

STATE GOVERNMENT

State Government Audit Impact Measures

Total asset values upon which financial statement opinions were rendered	\$563 billion
Total revenues upon which financial statement opinions were rendered	\$159.5 billion
Total Federal awards expenditures for major programs audited ^a	\$31.8 billion
Total American Recovery and Reinvestment Act Federal awards expenditures audited ^a	\$285.7 million
Total number of major Federal programs audited ^a	33
Number of audit reports released	
Attestation	1
Financial	4
Financial and Federal Awards	1
Operational ^b	<u>22</u>
Total number of audit reports released	<u>28</u>
Number of audit findings	206
Number of findings identifying opportunities for cost recovery, savings, or loss avoidance	
	18
Total amount identified for cost recovery, savings, or loss avoidance	\$8.6 million

^a Includes Federal awards expenditures and major Federal awards programs of State universities and State colleges.

^b Excludes Information Technology Operational Audits discussed later in this Annual Report under the subheading **INFORMATION TECHNOLOGY**.

Financial Statements Pursuant to Section 11.45(2)(b), Florida Statutes, and the Federal Single Audit Act, the Auditor General is responsible for the audit of the State of Florida's financial statements, including consideration of compliance with laws of potential material impact on the financial statements. We found that the State of Florida's financial statements for the fiscal year ended June 30, 2015, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our independent auditor's report on the financial statements is addressed to the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing

Committee and was published by the Chief Financial Officer in the State of Florida's *Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015*.

Our report on the audit of the State's financial statements included four findings involving internal control over financial reporting, including a significant deficiency¹ at one State agency. The significant deficiency pertained to the net position of certain internal service funds that was not classified in accordance with generally accepted accounting principles. Our report on internal controls over financial reporting is included in our report, *State of Florida – Compliance and Internal Controls over Financial Reporting and Federal Awards* (report No. 2016-159).

Separate from our audit of the State of Florida's financial statements, we conducted audits of the financial statements of the Department of the Lottery (Lottery), State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (Florida PRIME), and Florida Retirement System Pension Plan and Other State-Administered Systems. In all three audits, we found that the respective financial statements were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

For the Lottery, we also examined internal control over financial reporting as of June 30, 2015, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). We found that the Lottery maintained, in all material respects, effective internal control over financial reporting as of June 30, 2015, based on the established criteria. However, we also noted two findings involving the need for enhancements to the Lottery's information technology (IT) internal control practices in one area and the need for the Lottery to continue its efforts to comply with all statutory requirements governing minority retailer participation by minority type.

In addition to the audit of the Florida Retirement System Pension Plan and Other State-Administered Systems financial statements, we conducted an audit of the schedules of employer allocations of the Florida Retirement System defined benefit plan and the Retiree Health Insurance Subsidy Program defined benefit plan (System Pension Plans) as of and for the fiscal year ended June 30, 2015, and the related notes. Our audit found that the schedules presented fairly, in all material respects, the employer allocations and the net pension liability at June 30, 2015; total deferred outflows of resources; total deferred inflows of resources; and total pension expense/(income) for the total of all participating entities for the System Pension Plans as of and for the fiscal year ended June 30, 2015, in accordance with accounting principles generally accepted in the United States of America.

We also conducted an attestation examination of the System Pension Plans schedules of deferred outflows by employer for contributions subsequent to the June 30, 2015, measurement date of the, as of and for the fiscal year ended June 30, 2016. This examination found that the schedules presented, in all material respects, the deferred outflows by employer for contributions subsequent to the June 30, 2015, measurement date based on criteria referred to in the management representation letter dated August 31, 2016.

¹ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Federal Awards The Single Audit of the State of Florida includes State agencies, State universities, State colleges, judicial branch entities, and various other government entities for which the State is financially accountable. State agencies, State universities, and State colleges administered approximately 570 Federal awards programs or program clusters. The Federal Single Audit Act mandates that the auditor evaluate compliance with requirements applicable to each major program as well as the effectiveness of internal controls established by management to consistently ensure compliance. The results of our Single Audit of the State of Florida for the fiscal year ended June 30, 2015, are described in our report No. 2016-159.

We audited the State's compliance with requirements governing the 33 Federal awards programs or program clusters that we identified as major Federal awards programs for the fiscal year ended June 30, 2015. Expenditures for these major programs comprised approximately 90 percent of the \$35.3 billion in total Federal awards expenditures reported by the State for the fiscal year ended June 30, 2015. Our Federal awards audit findings are tabulated by audit area in Table 1 and briefly summarized in the following paragraphs.

Table 1
Tabulation of Federal Awards Audit Findings
By Audit Area

Audit Area	Findings	Number of		
		State Agencies	State Universities	State Colleges
Cash Management	1	1	-	-
Eligibility and Claims Payments	6	4	-	-
Expenditures and Supporting Documentation	2	2	-	-
Information Technology Internal Controls	26	6	2	8
Matching, Level of Effort, Earmarking	2	2	-	-
Medicaid Program Administration	4	2	N/A	N/A
Payroll Charges and Personnel Records	3	2	-	-
Record Systems and Reporting	5	3	-	-
Student Financial Aid Administration	26	N/A	2	8
Subawards and Monitoring	10	6	-	-
Unemployment Benefits and Tax Administration	2	1	N/A	N/A

We found that the State agencies, State universities, and State colleges materially complied with requirements governing major Federal awards programs, except with respect to compliance with certain requirements for eight programs administered by State agencies for which we qualified our opinions. Specifically, we found that the applicable State agencies did not comply with requirements applicable to the following programs:

- ◆ Child Support Enforcement.
- ◆ Children's Health Insurance Program.

- ◆ Federal Transit Cluster.
- ◆ Highway Planning and Construction Cluster.
- ◆ Homeland Security Grant Program.
- ◆ Medicaid Cluster.
- ◆ Rehabilitation Services – Vocational Rehabilitation Grants to States.
- ◆ Unemployment Insurance.

Additionally, we reported material weaknesses in internal control over compliance² for the following eight programs:

- ◆ Child Support Enforcement.
- ◆ Children's Health Insurance Program.
- ◆ Federal Transit Cluster.
- ◆ Highway Planning and Construction Cluster.
- ◆ Homeland Security Grant Program.
- ◆ Medicaid Cluster.
- ◆ Temporary Assistance for Needy Families Cluster.
- ◆ Unemployment Insurance.

Other instances of noncompliance or deficiencies in internal control over compliance³ were found at 11 State agencies, 4 State universities, and 13 State colleges. Some of the instances of noncompliance resulted in audit determinations of questioned costs. Questioned costs include costs of goods or services charged to one or more Federal awards programs that are not allowed under the applicable grant terms, not clearly supportive of the program's purposes, not documented in the manner prescribed by applicable Federal cost principles or State policies, or not incurred during the grant period. Such costs are subject to adjustment or disallowance by Federal grantor officials.

Operational Audits During the period November 1, 2015, through October 31, 2016, we released 22 operational audit reports on State governmental entities. Our reports addressed a broad array of programs, activities, and functions including:

- ◆ Internal management, financial, and operational controls and processes.
- ◆ Public assistance fraud prevention, detection, and recovery efforts of the Department of Children and Families.
- ◆ Selected activities and functions of the Department of Financial Services, Division of Insurance Fraud.
- ◆ Administration of inmate trust accounts and inmate health care services contracts by the Department of Corrections.

² A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected on a timely basis.

³ A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

- ◆ Administration and oversight of the School Readiness and Voluntary Prekindergarten Education Programs by the Department of Education, Office of Early Learning, and selected early learning coalitions.
- ◆ Administration of the Florida State Employees' Charitable Campaign by the Department of Management Services.
- ◆ The provision of secure detention center services by the Department of Juvenile Justice.
- ◆ Financial investigations conducted by the Office of Financial Regulation, Bureau of Financial Investigations.
- ◆ Selected administrative activities of the Department of the Lottery.

Many of our operational audit findings pertained to weaknesses in internal controls. Internal controls are those processes put in place by entity management to prevent and detect fraud, waste, abuse, and noncompliance, and to provide reasonable assurance that financial reports are reliable, operations are economical and efficient, applicable laws are followed, and assets are safeguarded against loss. In short, effective internal controls prevent adverse events from happening and detect them when they do. Our operational audit findings are tabulated by audit area in Table 2.

Table 2
Tabulation of State Government Operational Audit Findings
By Audit Area

Audit Area	Number of	
	Findings	Entities
Capital Assets, Equipment, and Inventory	12	8
Central Pharmacy Administration	2	1
Construction and Related Activities	1	1
Contractual Services	8	6
Early Learning Coalitions	7	5
Eligibility and Financial Assistance Payments	1	1
Expenditures and Disbursements	1	1
Financial Management and Record Keeping	4	1
Florida Single Audit Act	1	1
General Oversight or Governance	1	1
Information Technology Resources	19	11
Investigations	7	3
Personnel and Payroll	1	1
Program Administration, Oversight, and Monitoring	28	11
Purchasing Practices	4	4
Regulatory Oversight and Monitoring	8	2
Revenue and Cash Collections	6	1
Safeguarding of Social Security Numbers	2	2

The results of several of our operational audits are summarized in the following paragraphs:

- ◆ **Department of Children and Families – Public Assistance Fraud Prevention, Detection, and Recovery Efforts (Report No. 2016-046).** The Department of Children and Families (DCF), Economic Self-Sufficiency Program Office, is responsible for public assistance eligibility determinations. The DCF, Office of Public Benefits Integrity (Office), is responsible for preventing and detecting public assistance program fraud, waste, and abuse and recovering any erroneously paid benefits. Our audit found that Office policies and procedures did not always reflect current operating processes and employee responsibilities and that Office investigative and benefits recovery processes could be enhanced by providing a comprehensive staff training program specific to public assistance fraud prevention, detection, and recovery efforts. In addition, our audit disclosed that certain information technology controls and information reporting capabilities related to the Automated Community Connection to Economic Self-Sufficiency (ACCESS) Integrity Online System (AIO) needed enhancement, referrals to the Department of Financial Services, Division of Public Assistance Fraud, were not always appropriate, the Office did not always timely complete investigations of suspected public assistance fraud, and DCF procedures for identifying and appropriately and timely writing off eligible public assistance claims needed enhancement. We also noted that the Office did not always ensure that benefit recovery referrals were processed in priority order, claims were established within required time frames, and investigations were appropriately documented in accordance with established policies and procedures.
- ◆ **Department of Corrections – Inmate Trust Accounts, Inmate Health Care Services Contracts, and Prior Audit Follow-Up (Report No. 2016-179).** Our operational audit of the Department of Corrections (DOC) focused on the administration of inmate trust accounts and inmate health care services contracts, and also included a follow-up on the findings noted in our report No. 2014-066. Pursuant to Section 944.516, Florida Statutes, the DOC accepts and administers as a trust money and other property received for the personal use or benefit of inmates in State institutions. Our audit disclosed that DOC controls for monitoring inmate trust accounts for suspicious activity needed enhancement. Our examination of DOC monitoring records for the two inmate health care services contracts and evaluation of DOC activities related to the contracts found that DOC monitoring efforts and contract amendment controls needed improvement. Specifically, we found that the DOC did not timely conduct monitoring of inmate health care service provider compliance with certain contractual requirements and did not submit statutorily required contract performance reports as specified by State law. Our audit also disclosed that, contrary to contract terms, the DOC did not reduce provider payments for the cost of non-formulary pharmaceuticals totaling approximately \$741,000, did not reduce provider payments for certain costs incurred by the DOC, and did not recover contract monitoring costs in accordance with the contracts. We also found that the DOC did not always ensure a complete physical inventory of tangible personal property, including the accurate update of DOC property records for the inventory results, was timely performed, or that DOC records accurately reflected motor vehicle usage and cost information.
- ◆ **Office of Early Learning and Selected Early Learning Coalitions – Early Learning Programs and Related Delivery Systems (Report No. 2016-192).** Our operational audit of the Office of Early Learning (OEL) and selected early learning coalitions focused on the administration and oversight of the School Readiness and Voluntary Prekindergarten Education (VPK) Programs and early learning coalition program delivery and operations. We performed audit procedures at the OEL and at 5 of the State's 30 early learning coalitions. The early learning coalitions are responsible for ensuring access to early learning programs in all 67 Florida counties. Our audit disclosed that OEL data analysis and monitoring processes need improvement to ensure that the School Readiness Program data used as the basis for provider reimbursements and State and Federal reporting is accurate and that the OEL did not always appropriately document the School Readiness Program curricula review and approval process or ensure that all individuals responsible for reviewing and approving curricula satisfied established requirements. Our audit also found that coalitions did not always properly conduct or document School Readiness Program eligibility and parent copayment determinations, coalition payments to School Readiness and VPK Program providers were not always supported by

appropriate documentation or made in the correct amounts, and coalition records did not always evidence that School Readiness and VPK Program providers maintained the insurance coverages required by State law. In addition, our audit noted that some coalition information technology and tangible personal property controls needed enhancement.

- ◆ **Department of Management Services – Florida State Employees’ Charitable Campaign (Report No. 2016-194).** Section 110.181(1), Florida Statutes, specifies that the Department of Management Services (DMS) is to establish and maintain an annual Florida State Employees’ Charitable Campaign (FSECC). In administering the FSECC, Section 110.181(2), Florida Statutes, requires the DMS to select, through a competitive procurement process, a fiscal agent to receive, account for, and distribute charitable contributions to participating charitable organizations. The fiscal agent is to withhold a fee from the distributions to participating charitable organizations for the reasonable costs for conducting the FSECC, including costs for accounting and distribution activities. Our audit disclosed that the DMS did not ensure that FSECC fiscal agent fees were supported by adequate documentation or adequately verify that employee contributions were appropriately distributed to participating charitable organizations.
- ◆ **Department of Juvenile Justice – Secure Detention Center Services and Selected Administrative Activities (Report No. 2016-195).** Our operational audit of the Department of Juvenile Justice (DJJ) focused on the administration of secure detention center services and selected administrative activities. Section 985.601(9)(a), Florida Statutes, specifies that the DJJ is to operate a Statewide, regionally administered system of detention services for children which includes secure detention centers and nonsecure detention programs. Our audit noted, among other things, that the DJJ did not timely update administrative rules and other guidance for the provision of secure detention center services, had not established a standard checklist or procedures for conducting quarterly security audits of secure detention centers, and did not always ensure that quarterly security audits were appropriately conducted and documented. In addition, our audit found that annual compliance monitoring of secure detention centers needed improvement and DJJ records did not adequately demonstrate that secure detention staff successfully completed the training specified by DJJ rules for Juvenile Justice Detention Officer certification or that staff completed the annual in-service training required by DJJ rules. Our audit also noted that the DJJ did not always timely cancel purchasing cards upon a cardholder’s separation from DJJ employment, the DJJ did not always document that surplus information technology equipment with data storage capabilities had been properly sanitized to remove confidential and sensitive data prior to disposal, and that DJJ contract monitoring activities continued to need improvement.

A listing of all State Government audit reports released during the period November 1, 2015, through October 31, 2016, is included in [EXHIBIT B](#) of this Annual Report.

EDUCATIONAL ENTITIES

Pursuant to law, the Auditor General has extensive audit responsibilities involving educational entities, including school districts, State universities, and State colleges. These responsibilities include audits of: financial statements, compliance with requirements of Federal awards, and selected operations. We also perform examinations of school district and other entity compliance with selected laws applicable to the Florida Education Finance Program Full-Time Equivalent (FTE) Students and Student Transportation funding allocations. An overview of our audit activities is included on the following pages.

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OTHER EDUCATIONAL ENTITIES AND PROGRAMS	30

SCHOOL DISTRICTS

School Districts Audit Impact Measures	
Total asset values upon which financial statement opinions were rendered	\$15.4 billion
Total revenues upon which financial statement opinions were rendered	\$9.5 billion
Total Federal awards expenditures for major programs audited	\$417.3 million
Number of audit reports released	
Financial, Federal Awards, and Operational	40
Financial and Federal Awards	7
Operational	9
Total number of audit reports released	56
Number of audit findings	298
Number of findings identifying opportunities for cost recovery, savings, or loss avoidance	
	112
Total amount identified for cost recovery, savings, or loss avoidance	\$56.3 million

Financial Statements We audited the financial statements of 47 school districts for the fiscal year ended June 30, 2015. We found that, generally, the school districts' financial statements were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. We reported conditions involving internal control, including material weaknesses⁴ at 3 school districts and significant deficiencies⁵ at 7 school districts. The material weaknesses pertained to the need for improvement in financial reporting procedures to ensure that account balances and transactions are properly reported. The significant deficiencies also related to financial reporting procedures, as well as bank reconciliation processes and inappropriate or unnecessary information technology access privileges.

Federal Awards In conjunction with our financial statements audits of the 47 school districts, we also examined the school districts' compliance with laws, regulations, and contracts and grants governing

⁴ A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

⁵ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

the use of Federal funds. The Federal Single Audit Act mandates that the auditor evaluate compliance with requirements applicable to each school district's major programs as well as the effectiveness of internal controls established by management to consistently ensure compliance. For most of the 47 school districts subject to audit, the number of major Federal awards programs ranged from one to four. In summary, our audits of the various major Federal awards programs at school districts disclosed that:

- ◆ 8 school districts did not comply with requirements considered material to one or more major Federal awards programs, resulting in findings of material noncompliance and material weaknesses⁶ in internal control over Federal awards programs and qualified opinions on those programs.
- ◆ 8 school districts had deficiencies in internal controls over compliance with Federal awards requirements, which resulted in 11 significant deficiency⁷ findings. These 8 school districts were cited for deficiencies in allocating certain Federal funds to schools, documenting personnel costs, approving and documenting expenditures of Federal funds, maintaining excess net cash resources in the food service program, and other areas.
- ◆ 15 school districts were cited in 17 findings that identified Federal awards questioned costs. Questioned costs include costs of goods or services charged to one or more Federal awards programs that are not allowed under the applicable grant terms, not clearly supporting the Federal awards program's purposes, not documented in the manner prescribed by applicable Federal cost principles or State or school district policies, or not incurred during the grant period. If the applicable grantor disallows questioned costs, a school district may have to repay the costs from non-Federal sources.

Operational Audits We conducted operational audit procedures for 49 school districts and considered the school districts' performance with respect to a variety of areas including internal control systems and compliance with specific laws or General Appropriations Act provisos. For example, our operational audits evaluated processes relating to procurement and construction practices, personnel compensation and payroll administration, information technology, adult education enrollment reporting to the Department of Education (DOE), virtual instruction programs (VIPs), and the use of ad valorem tax levy proceeds and other capital outlay funds. Our operational audit findings are tabulated in Table 3 by audit area along with the financial and Federal awards audit findings. For several audit areas, similar findings were noted at multiple school districts.

⁶ A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

⁷ A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Table 3
Tabulation of School District Audit Findings
By Audit Area

Audit Area	Number of	
	Findings	Districts
Ad Valorem Tax Program and Capital Outlay	4	4
Adult General Education Course Hours Reporting	13	13
Board Policies and Actions	2	2
Capital Assets, Equipment, and Inventory	9	7
Cash and Cash Collections	6	6
Charter Schools	3	3
Construction and Related Activities	16	7
Direct-Support Organization Audits	6	4
Facilities	1	1
Federal Awards	23	17
Financial Management and Budgetary Internal Controls	17	12
Financial Reporting	9	9
Information Technology Internal Controls	64	28
Insurance	8	7
Personnel and Payroll	36	24
Purchasing Practices and Contractual Services	9	6
Safeguarding of Social Security Numbers	1	1
Virtual Instruction Programs	70	35
Workforce Development Funds	1	1

Our findings for some of the audit areas are briefly described in the following paragraphs:

- ◆ **Virtual Instruction Programs (VIPs)** – At 35 school districts, we noted that internal controls over VIPs could be enhanced in certain areas. These areas included policies and procedures related to VIP processes, VIP options, required parental notification of VIP information, computing resources and instructional materials, VIP provider background screenings, VIP provider contracts, student eligibility, and compulsory student attendance.
- ◆ **Information Technology Internal Controls** – For 28 school districts, we reported that enhancements were needed regarding information technology (IT) internal controls for financial and related systems. For example, enhancements were needed for timely deactivating the IT access privileges of former employees, restricting IT access privileges to only what is needed to perform assigned job duties, improving user authentication internal controls, logging and monitoring of significant system activity, and establishing written policies and procedures to govern significant IT functions. Other needed enhancements involved developing effective internal controls to address management’s security-related responsibilities, including risk assessment, security awareness training, data loss prevention, disaster recovery, and security incident response.

- ◆ **Personnel and Payroll** – Our audits disclosed that 24 school districts needed to enhance internal controls over the administration of personnel and payroll. For example, we noted insufficient monitoring of bus driver qualifications, incomplete payroll records, the lack of timely employee background screenings, and the lack of a documented process to identify instructional personnel entitled to differentiated pay using factors prescribed in State law.⁸
- ◆ **Adult General Education Course Hours Reporting** – Our audits disclosed that 13 school districts needed to enhance internal controls over the reporting of Adult General Education instructional contact hours to the DOE. We noted instances in which contact hours were under reported or over reported for various reasons, such as the lack of student attendance records and errors in tracking student attendance, data entry, and programming.
- ◆ **Financial Management and Budgetary Internal Controls** – At 12 school districts, we reported that enhancements were needed in internal controls over financial management and the budgetary process. We reported financial condition deficiencies, financial records management issues, and budgetary control and transparency issues.

A listing of all school district audit reports released during the period November 1, 2015, through October 31, 2016, is included in [EXHIBIT B](#) of this Annual Report.

⁸ Section 1012.22(1)(c)4.b., Florida Statutes.

FLORIDA EDUCATION FINANCE PROGRAM

**Florida Education Finance Program
Full-Time Equivalent Students and Student Transportation
Audit Impact Measures**

Total FTE reported upon which compliance opinions were rendered	1,242,501
Total FTE funding for entities examined	\$3.2 billion
Total Student Transportation funding for entities examined	\$161 million
<hr/>	
Number of compliance examination reports released	
School Districts	17
Other Educational Entities	<u>2</u>
Total number of reports released	<u>19</u>
<hr/>	
Number of reports disclosing material noncompliance	18

State Florida Education Finance Program (FEFP) funding, including Student Transportation funding, (net of local school district funding) totaled approximately \$7.4 billion and \$7.5 billion, respectively, for the 2013-14 and 2014-15 fiscal years. During the period November 1, 2015, through October 31, 2016, we completed examinations of the records of 5 school districts and the Florida Virtual School for the fiscal year ended June 30, 2014, and 12 school districts and 1 school district-affiliated youth development center for the fiscal year ended June 30, 2015. These examinations were conducted to evaluate compliance with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment and students transported as reported under the FEFP. Our examinations disclosed that, except for the material noncompliance noted in certain programs, the 17 school districts and 2 other educational entities complied with State requirements. Table 4 summarizes areas of material noncompliance. Generally, we considered noncompliance to be material when error rates equaled or exceeded 10 percent of the test population for one or more funded programs. The most common area of material noncompliance pertained to the preparation and maintenance of records for students in the Career Education 9-12 On-the-Job Training, English for Speakers of Other Languages (ESOL), and Exceptional Student Education Programs.

Table 4
Tabulation of FEFP FTE Students and Student Transportation
Material Noncompliance Areas

Material Noncompliance Area	Number of Entities
Preparation and Maintenance of Student Records	18
Teacher Qualifications	6
Ridership Classification and Funding Eligibility of Transported Students	12

Regarding the FTE students, our examinations disclosed reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located. We also reported material noncompliance regarding teacher qualifications and student transportation. We reported instances in which teachers did not meet State requirements governing certification, teachers' out-of-field assignments were not approved by the school board, parents were not notified regarding the teachers' out-of-field status, and teachers did not earn the required in-service training points in ESOL strategies. Material noncompliance regarding student transportation involved students' reported ridership classification or eligibility for State transportation funding.

The DOE is responsible for resolving proposed adjustments reported in our examination reports and computing the financial impact of such proposed adjustments for application against the school districts' current or future funding. School districts are permitted to request informal conferences with the DOE to appeal the examinations' proposed adjustments. The resulting informal conference panels' recommendations are presented to the Commissioner of Education for acceptance.

A listing of all FEFP FTE Students and Student Transportation reports issued during the period November 1, 2015, through October 31, 2016, is included in [EXHIBIT B](#) of this Annual Report.

STATE UNIVERSITIES AND STATE COLLEGES

Total asset values upon which financial statement opinions were rendered	\$31.5 billion
Total revenues upon which financial statement opinions were rendered	\$17 billion
Total Federal awards expenditures for major programs audited	\$4.3 billion
<hr/>	
Number of audit reports released	
Financial	41
Operational	<u>24</u>
Total number of audit reports released	<u>65</u>
Number of audit findings	99
<hr/>	
Number of findings identifying opportunities for cost recovery, savings, or loss avoidance	26
Total amount identified for cost recovery, savings, or loss avoidance	\$32.9 million

Financial Statements During the period November 1, 2015, through October 31, 2016, we completed audits of the financial statements of 12 State universities, 28 State colleges, and 1 State university regional institution for the fiscal year ended June 30, 2015. We found that the State universities, State colleges, and State university regional institution presented fairly, in all material respects, the financial statements for the applicable fiscal years in accordance with accounting principles generally accepted in the United States of America.

Federal Awards We audited the Federal awards expenditures of the State universities and State colleges as part of our Single Audit of the State of Florida. The Student Financial Assistance Programs Cluster administered by State universities and State colleges was a major Federal awards program for the State. Additionally, the Research and Development Programs Cluster administered by the State universities was a major Federal awards program for the State. A description of our Single Audit of the State of Florida begins on page 15 and the related Federal awards findings are listed by audit area in Table 1.

Operational Audits During the period November 1, 2015, through October 31, 2016, we released operational audit reports for 19 State colleges and 5 State universities. Our operational audits focused on several areas involving Board oversight, such as policies regarding employment agreements and compensation. Our audits also evaluated internal controls over numerous operational areas and

compliance with applicable Florida Statutes and other requirements. For example, we tested selected IT internal controls, the assessment and use of tuition fees, procurement practices, textbook affordability, and internal controls over the administration of payroll and personnel.

Our audit findings disclosed in reports released during the period November 1, 2015, through October 31, 2016, are tabulated by audit area in Table 5.

Table 5
Tabulation of State University and State College Audit Findings
By Audit Area

Audit Area	Number of	
	Findings	Institutions
Adult General Education Course Hours Reporting	7	7
Board Policies and Actions	4	3
Cash and Cash Collections	2	2
Collection of Protected Information	1	1
Educational Facility Use and Safety	1	1
Expenditures and Disbursements	2	2
Financial Management	4	3
Information Technology Internal Controls	19	11
Investments	1	1
Personnel and Payroll	29	18
Purchasing Practices and Contractual Services	11	8
Reporting to State Oversight Officials	2	2
Restricted Resources	2	2
Textbook Affordability	9	9
Tuition and Fees	5	5

Some findings that were reported at several State universities or State colleges are summarized in the following paragraphs:

- ◆ **Personnel and Payroll** – For 18 institutions, improvements were needed in the administration of personnel and payroll functions. For example, we reported that 8 institutions needed to enhance procedures to better document time worked or supervisory review and approval of time worked. Eleven institutions needed to improve controls related to background screenings for individuals in positions of special trust or responsibility. We also noted that 6 institutions could enhance procedures over compensation payments made to current employees and to employees who separated from the institution. Amounts identified for cost recovery, savings, or loss avoidance related to the personnel and payroll audit findings ranged from \$5,300 to \$1,607,150.
- ◆ **Information Technology Internal Controls** – For 11 institutions, we reported that enhancements were needed regarding IT internal controls for financial and related systems. For example, enhancements were needed for timely removing IT access privileges of former employees,

restricting IT access privileges to only those needed to perform assigned job duties, improving user authentication internal controls, logging and monitoring of significant system activity, developing and implementing a security awareness program, and developing a comprehensive, written IT risk assessment plan.

- ◆ **Textbook Affordability** – For 9 institutions, improvements were needed in textbook affordability policies and procedures. For example, we noted certain institutions did not timely post textbook information to the institution Web sites. We also noted instances in which institutions could help ensure that textbooks are available to students at the lowest and best prices by requiring course-wide adoption of textbooks.
- ◆ **Purchasing Practices and Contractual Services** – For 8 institutions, improvements were needed in internal controls over certain purchasing practices. For example, we noted that procedures could be enhanced to ensure that competitive proposals for certain contractual services are solicited periodically. We also noted that internal controls over purchasing card procedures needed enhancement. One institution entered into a property lease agreement without documented evaluations of lease or purchase options to establish which option would be the most cost-effective. Amounts identified for cost recovery, savings, or loss avoidance related to the purchase practices and contractual services findings ranged from \$466 to \$27,400,000.
- ◆ **Adult General Education Course Hours Reporting** – Seven institutions needed to enhance internal controls over the reporting of Adult General Education instructional contact hours to the DOE. We noted instances in which contact hours were under reported or over reported for various reasons, including the lack of student attendance records, procedural errors in withdrawing students for nonattendance, incorrect calculations of instructional contact hours, and programming errors.

A listing of all State university and State college audit reports released during the period November 1, 2015, through October 31, 2016, is included in [EXHIBIT B](#) of this Annual Report.

OTHER EDUCATIONAL ENTITIES AND PROGRAMS

Florida Bright Futures Scholarship Program Pursuant to Section 1009.53(5)(c), Florida Statutes, we conducted an operational audit of the administration of the Bright Futures Scholarship Program (Program) by 11 State universities and 28 State colleges for the fiscal year ended June 30, 2014, and by 12 State universities and 28 State colleges for the fiscal year ended June 30, 2015. Program funds disbursed to students totaled \$270 million and \$229 million, during the fiscal years ended June 30, 2014, and June 30, 2015, respectively. Our audit disclosed that 9 institutions did not always timely return to the DOE undisbursed Program funds or Program funds received for courses that students dropped or withdrew from after the drop and add period. In addition, at 1 institution, students received Florida Gold Seal Vocational Scholarships to pay for programs other than technical degree, career certificate, or applied technology programs, contrary to State law.

Florida Virtual School As required by Section 1002.37(11), Florida Statutes, we conducted an operational audit of the Florida Virtual School (FLVS), including the Florida Virtual School Global. Our operational audit focused on the administration of responsibilities relating to personnel; procurement and contracting; revenue production; school funds, including internal funds; student enrollment records; franchise agreements; information technology utilization, assets, and security; performance measures and standards; and accountability. Our audit disclosed:

- ◆ Assessment of course fees that differed from the Board-approved fees.
- ◆ Severance payments inconsistent with State law.
- ◆ A lack of periodic review of information technology (IT) access privileges.
- ◆ Inadequate controls related to IT user authentication, protection of confidential and sensitive information, and logging and monitoring of system activity.

A listing of all audit reports released during the period November 1, 2015, through October 31, 2016, is included in **EXHIBIT B** of this Annual Report.

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY AUDITS

Public entities rely on information technology (IT) to record, process, maintain, and report essential financial and program information necessary to achieve their missions and business objectives. The widespread use of IT, without proper safeguards, can lead to vulnerabilities that allow the introduction of errors by employees in their daily work processes and actions by persons with malicious intentions. As such, IT internal controls are a critical component of public entity internal control systems. Public entity management, therefore, has an important stewardship responsibility for establishing effective IT internal controls that provide reasonable assurance of the achievement of management's control objectives, including, in particular, assuring the confidentiality, integrity, and availability of data and IT resources. The absence of effective IT internal controls can result in significant risks to public entity operations and assets, such as risk of unauthorized or erroneous disclosure, modification, or destruction of financial or sensitive information and IT resources.

The Auditor General evaluates the effectiveness of internal controls over IT in financial audits and operational audits. Consideration of IT internal controls is an essential and significant part of the audit process in these audits because public entity business processes that are relevant to the audit objectives are usually dependent on IT.

State Government and Related Entities We released reports for 11 IT operational audits during the period November 1, 2015, through October 31, 2016. These audits evaluated critical or complex systems or processes at 12 State agencies; the State Board of Administration; the Northwest Regional Data Center (NWRDC) at Florida State University; and the University of South Florida Data Center. These systems and processes included:

- ◆ The Florida Accounting Information Resource Subsystem (FLAIR) (the State of Florida's accounting system that maintains State agency accounting and State budget control records and processes the State's payroll).
- ◆ Data center operations at the University of South Florida Data Center.
- ◆ The iBudget System (used by the Agency for Persons with Disabilities to manage the iBudget Waiver program which provides home and community-based support and services to eligible persons with developmental disabilities).
- ◆ The Florida Public Assistance System (FloridaPA.org) (a Web-based portal used by the Division of Emergency Management to manage the Disaster Grants – Florida Public Assistance programs relating to disaster relief and recovery).
- ◆ Surplus computer hard drive disposal processes for selected State agencies.
- ◆ The Florida Safe Families Network (FSFN) (the State of Florida's Automated Child Welfare Information System used by the Department of Children and Families as the official system of record for documenting child protective investigations and child welfare casework).
- ◆ Data center operations at the NWRDC.
- ◆ Versa: Regulation (licensing software implemented by the Department of Business and Professional Regulation to provide a comprehensive view of all data related to a license).

- ◆ The Special Disability Trust Fund Claims Manager 2004 System (SDTF System) (used by the Department of Financial Services to administer the SDTF, including functions such as the receipt, review, acceptance, and payment of SDTF claims).
- ◆ Comprehensive risk assessments at selected State agencies.
- ◆ The Florida Online Recipient Integrated Data Access (FLORIDA) System (used in eligibility determination and benefit issuance for public assistance programs) and the Automated Community Connection to Economic Self-Sufficiency (ACCESS) Management System (AMS) (a Web-based portal for case management within the FLORIDA System).

Our IT operational audit report findings primarily pertained to internal controls underlying the overarching principles for data integrity, data confidentiality, and data or IT resource availability and are tabulated by control area in Table 6. Many of the control areas related to general internal controls; however, we also noted some application control findings in the area of business process internal controls.

Table 6
Tabulation of
Information Technology Operational Audit Findings
By Control Area

Control Area	Number of	
	Findings	Entities
Access	27	6
Security Management	10	11
Configuration Management	4	4
Business Process	3	2
Application-Level General	2	2
Contingency Planning	1	1

Some of the frequent findings related to:

- ◆ Excessive access privileges granted to employees.
- ◆ Untimely removal of access privileges for employees.
- ◆ Lack of access authorization documentation for employees and contractors.
- ◆ Insufficient review of the appropriateness of access privileges.
- ◆ Lack of procedures for the performance of background screenings for employees in positions of special trust or responsibility.
- ◆ Inadequate data quality controls.
- ◆ Insufficient monitoring of system activity.
- ◆ Inadequate internal controls over program change management.
- ◆ Inadequate risk assessment processes.
- ◆ Inadequate business process internal controls.
- ◆ Inadequate contingency planning and operations.

For certain sensitive matters noted, we did not disclose specific details of the findings in the audit reports to avoid the possibility of compromising entity data and IT resources. The specific details were separately communicated to entity management and frequently involved multiple security control deficiencies relating to various topics such as user authentication, logging and monitoring, physical security of data, data transmission, and protection of confidential and exempt information.

Educational Entities During the period November 1, 2015, through October 31, 2016, we evaluated IT internal controls as a part of our financial and operational audits of educational entities, including school districts, State universities, and State colleges. These evaluations disclosed a significant number of internal control deficiencies and departures from best practices, including inappropriate or unnecessary access privileges, inadequate review of assigned access privileges, inadequate IT risk assessment, inadequate security awareness training, and the lack of a written IT disaster recovery plan. The details of the sensitive matters noted were not disclosed in specific detail in the audit reports to avoid the possibility of compromising entity data and IT resources. Such matters included, but were not limited to, user authentication, logging and monitoring, and data loss prevention planning. The audit findings were disclosed in the financial or operational audit reports of the respective school district, State university, or State college, or to appropriate entity management. (See audit findings summaries for school district operational audits beginning on page 22 and for State university and State college operational audits beginning on page 27.)

ANALYTICAL AND AUTOMATED PROCEDURES AND AUDIT APPLICATIONS

In addition to IT operational audits, extensive IT support is provided to the Office's financial and operational audit and attestation examination engagements through computer assisted audit techniques (CAATs) services. Such services are focused, allow for extensive analysis in an efficient manner, and are accomplished by obtaining detailed information that can be used to prepare reconciliations, summaries, samples of detailed transactions, and range reports for our audit staff. CAATs services also include a variety of queries and other analyses on the data that can identify unexpected or unexplained patterns in data that may indicate fraud. With data volumes growing, the use of CAATs leads to increased audit coverage, more thorough and consistent analysis of data, and reduction in risk. All this is done in a fraction of the time required with manual methods.

In addition, custom computer application systems are maintained by IT support staff to support numerous audit activities. Examples include applications for our audit working papers to electronically document audit work performed, for analyzing and compiling financial statement adjustments, and for support of our reviews of local government, school district, and charter school audit reports prepared by other certified public accountants.

A listing of all IT audit reports released during the period November 1, 2015, through October 31, 2016, is included in **EXHIBIT B** of this Annual Report.

OTHER AUDITS AND ACCOUNTABILITY ACTIVITIES

LOCAL GOVERNMENT AUDITS

Pursuant to Section 11.45(2)(j), Florida Statutes, we audit local governmental entities when determined to be necessary by the Auditor General, when directed by the Legislative Auditing Committee, or when otherwise required by law. During the period November 1, 2015, through October 31, 2016, we issued a report on our operational audit of the City of Archer, an audit directed by the Legislative Auditing Committee, and three reports disclosing the results of our follow-up procedures at local governmental entities.

City of Archer Examples of findings from our operational audit included:

- ◆ Inadequate separation of the duties for the water bill collection and record-keeping functions and a lack of appropriate compensating controls.
- ◆ Payroll advances totaling \$5,500, although the State Constitution prohibits municipalities from giving, lending, or using credit to aid any person.
- ◆ Payments totaling \$2,938 for unused sick leave, contrary to City of Archer policies.
- ◆ A lack of established policies and procedures for the assignment and use of credit cards and fuel purchasing cards.

Health Care District of Palm Beach County (District) Examples of findings from our operational audit included:

- ◆ A lack of documentation to ensure that land acquisitions were made at the best value for the District.
- ◆ A need to review the organizational independence of the District's audit and compliance functions.
- ◆ A need to establish cooperative agreements with other applicable government authorities and public and private entities for helicopter services provided outside Palm Beach County.

Follow-Up Procedures Section 11.45(2)(j), Florida Statutes, requires the Auditor General to, no later than 18 months after the release of a report on the audit of a local governmental entity, perform such appropriate follow-up procedures as deemed necessary to determine the audited entity's progress in addressing the findings contained within our previous report. We performed audits to determine the extent to which the following entities had corrected, or were in the process of correcting, findings disclosed in our previous reports:

- ◆ **City of Hampton** – Our follow-up audit disclosed that, of the 31 findings included in our report No. 2014-100, the City of Hampton's actions corrected 3 findings, partially corrected 21 findings, did not correct 4 findings, and took actions that made 2 findings no longer relevant; however, the City of Hampton had no occasion to correct 1 finding.
- ◆ **Delray Beach Community Redevelopment Agency (CRA)** – Our follow-up audit disclosed that, of the 19 findings and recommendations contained in our report No. 2014-013, the CRA's actions corrected 10 findings, partially corrected 5 findings, and did not correct 4 findings.

- ◆ **Economic Development Activities Administered by the Hardee County Industrial Development Authority (IDA), Hardee County Economic Development Authority (EDA), and Hardee County Board of County Commissioners (BCC) and Other Administrative Matters** – Our follow-up audit disclosed that, of the 12 findings included in our report No. 2013-102, the IDA's, EDA's, and the BCC's actions corrected 8 findings and partially corrected 2 findings; however, the entities had no occasion to correct 2 findings.

SCHOLARSHIP FUNDING ORGANIZATION AUDITS

Pursuant to Sections 11.45(2)(k) and 1002.385(14)(a), Florida Statutes, we conduct annual operational audits of the accounts and records of eligible nonprofit scholarship-funding organizations participating in a State-sponsored scholarship program authorized by Chapter 1002, Florida Statutes.

AAA Scholarship Foundation – FL, LLC In our operational audit report No. 2016-054, we noted that enhancements could be made to the organization's anti-fraud policy.

The findings in our operational audit report No. 2017-033 included:

- ◆ Failure to obtain required written statements from parents of first-time Florida Tax Credit Program students previously enrolled in a Florida public school to evidence that the parent informed the student's school district that the child would be attending an eligible private school.
- ◆ Inadequate check endorsement procedures.

Step up for Students, Inc. The findings in our operational audit report No. 2016-072 included:

- ◆ Untimely verification that the individuals appointed by the Board of Step up for Students, Inc., to be owners and operators of the organization had not filed for personal or corporate-related bankruptcy.
- ◆ Inadequate procedures for monitoring and collecting receivable balances.

In our operational audit report No. 2017-031, we noted the organization's failure to obtain required written statements from parents of first-time Florida Tax Credit Program students previously enrolled in a Florida public school to evidence that the parent informed the student's school district that the child would be attending an eligible private school.

RULES OF THE AUDITOR GENERAL AND OTHER GUIDANCE

To promote audit quality, the Auditor General promulgates rules in conjunction with the Florida Board of Accountancy and provides technical assistance to local educational entities, local governments, nonprofit and for-profit organizations, and other certified public accountants (CPAs). These rules (Chapters 10.550, 10.650, 10.700, 10.800, and 10.850) are updated annually and are readily accessible on the Auditor General Web site. Additionally, the Auditor General provides guidelines for reviewing audit reports of charter schools, charter technical career centers, school districts, and local governments. The Auditor General also publishes a compliance supplement to assist CPAs in conducting local governmental entity audits pursuant to Section 218.39, Florida Statutes, and provides technical assistance to the Department of Education with respect to a compliance supplement for financial audits of school districts.

REVIEWS OF AUDIT REPORTS

Section 11.45(7)(b), Florida Statutes, requires the Auditor General to review all audit reports submitted pursuant to Section 218.39, Florida Statutes. Section 218.39, Florida Statutes, requires that, for each year that the Auditor General does not conduct a financial audit of a charter school, charter technical career center, school district, county, and certain municipalities and special districts, the entity shall provide for an annual financial audit conducted by other CPAs and submit a copy of the audit report to the Auditor General. We review the audit reports prepared by other CPAs to determine whether:

- ◆ The auditors' reports comply with *Government Auditing Standards* and Rules of the Auditor General.
- ◆ The accompanying financial statements conform to accounting principles generally accepted in the United States of America.
- ◆ The audit reports were prepared by independent CPAs properly licensed by the Florida Board of Accountancy.

Additionally, Section 215.97(12)(f), Florida Statutes, requires the Auditor General to perform ongoing reviews of financial reporting packages submitted pursuant to the Florida Single Audit Act to determine compliance with the reporting requirements of the Act and applicable Rules of the Department of Financial Services and Rules of the Auditor General. We report the results of our reviews to the Legislature.

Significant Financial Trends and Findings In conjunction with our review of the audit reports, we also compile and transmit to the Legislature summaries of significant financial trends and findings identified in audit reports of charter schools, charter technical career centers, school districts, and local governments.

OTHER ACTIVITIES

Required Notifications We are required by law to notify the Legislative Auditing Committee of any charter school, charter technical career center, school district, State university, State college, or local government, as applicable, that:

- ◆ Failed to comply with the Section 218.39, Florida Statutes, audit requirements.⁹
- ◆ Failed to take full corrective action in response to a recommendation included in a financial audit report that was also included in the two preceding financial audit reports.¹⁰
- ◆ Failed to provide significant items omitted from audit reports submitted to us.
- ◆ Failed to provide evidence of corrective action taken for noncompliance with Section 218.415, Florida Statutes, as noted by other CPAs.
- ◆ Met one or more of the conditions specified in Section 218.503(1), Florida Statutes.¹¹

⁹ For special districts, we are also required to notify the Department of Economic Opportunity.

¹⁰ For school districts, State universities, and State colleges, this requirement also applies to operational audits conducted pursuant to Section 11.45, Florida Statutes.

¹¹ For charter schools, charter technical career centers, and school districts, we are also required to notify the Commissioner of Education. For local governments, we are also required to notify the Governor.

We are also required to notify the President of the Senate, the Speaker of the House of Representatives, and the Department of Financial Services, of all charter schools, charter technical career centers, school districts, State universities, State colleges, and water management districts that failed to comply with statutory transparency requirements.

Quality Assessment Reviews Pursuant to Section 11.45(2)(i), Florida Statutes, the Auditor General conducts quality assessment reviews of the State agencies' Offices of Inspectors General (OIGs) internal audit activities. We released reports on 18 OIGs during the period November 1, 2015, through October 31, 2016. Six of the reports included review periods of July 2015 through June 2016, and 12 of the reports included review periods of July 2014 through June 2015.

During the reviews, we found the quality assurance program related to the OIGs' internal audit activity was adequately designed and complied with to provide reasonable assurance of conformance with applicable professional auditing standards. We also found that the OIGs generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general internal audit activities.

Professional Activities To help accomplish our Professional Services Goal, we communicate and work with professional associations to improve governmental accounting, auditing, and financial reporting and to promote the efficient use of government resources. Additionally, staff of the Auditor General participated in National and State standards-setting processes and served as members of various National, State, and local professional organization boards, committees, and work groups.

A listing of audit reports and reports on other accountability activities released during the period November 1, 2015, through October 31, 2016, is included in **EXHIBIT B** of this Annual Report.

ANNUAL REPORT EXHIBITS

EXHIBIT A is our projected work plan for 2017-2018 and 2018-2019 and, as additional information, we have included three other exhibits to this Annual Report.

<p>EXHIBIT A Projected Work Plan 2017-2018 and 2018-2019</p>	<p>EXHIBIT A represents our Projected 2-Year Work Plan for the 2017-18 and 2018-19 fiscal years based on our analyses as of November 30, 2016. Modifications to the work plan may be made in response to law changes, legislative requests, or other considerations. For information on our methodology for establishing our work plan, see pages 10 through 12.</p>	<p>Pages 39 - 42</p>
<p>EXHIBIT B Reports Released During the Period November 1, 2015, Through October 31, 2016</p>	<p>EXHIBIT B lists each report issued. Report information is generally provided by entity type (State Government; Educational Entities, including School Districts, State Universities, and State Colleges) or by other activity.</p>	<p>Pages 43 - 50</p>
<p>EXHIBIT C Reports Released or Scheduled to Be Released Subsequent to October 31, 2016, and By March 31, 2017</p>	<p>EXHIBIT C provides information on audit activities completed or in progress subsequent to the October 31, 2016, cutoff date for this Annual Report. We post reports to our Web site www.myflorida.com/audgen/ as the reports are issued.</p>	<p>Pages 51 - 52</p>
<p>EXHIBIT D Auditor General Contact Information</p>	<p>EXHIBIT D includes the names and telephone numbers of Auditor General management and the areas of reporting responsibility. Contact information may also be located in each audit report. Additionally, this exhibit provides information on how copies of audit reports may be obtained.</p>	<p>Page 53</p>

EXHIBIT A

PROJECTED WORK PLAN 2017 – 2018

◆ **Financial Audits (Fiscal Year Ending 6-30-2017):**

- *Department of the Lottery*
- *Florida Retirement System Pension Plan and Other State-Administered Systems*
 - *Schedules of Employer Allocations and Pension Amounts by Employer*
- *Florida School for the Deaf and the Blind*
- *Local Government Surplus Funds Trust Fund*
- *School Districts, including Audit of Federal Awards (47)*
- *State of Florida Reporting Entity, including Audit of Federal Awards*
- *State Colleges (28)*
- *State Universities (12)*

◆ **Operational and Performance Audits:**

- *Agency for Health Care Administration*
- *Board of Governors*
- *Department of Agriculture and Consumer Services*
- *Department of Business and Professional Regulation*
- *Department of Children and Families*
- *Department of Children and Families – Florida Online Recipient Integrated Data Access (FLORIDA) System – Information Technology Audit*
- *Department of Corrections*
- *Department of Economic Opportunity*
- *Department of Economic Opportunity – CONNECT System – Information Technology Audit*
- *Department of Education*
- *Department of Environmental Protection*
- *Department of Financial Services*
- *Department of Financial Services – Florida Accounting Information Resource (FLAIR) Subsystem – Information Technology Audit*
- *Department of Health*
- *Department of Juvenile Justice*
- *Department of Management Services – Division of Retirement Integrated Retirement Information System (IRIS) – Information Technology Audit*
- *Department of Military Affairs*
- *Department of Revenue – Ad Valorem*
- *Department of Veterans' Affairs*
- *Fish and Wildlife Conservation Commission*
- *Florida Bright Futures Scholarship Program*
- *Information Technology Audits of Selected Major Systems*

EXHIBIT A

PROJECTED WORK PLAN 2017 – 2018

◆ Operational and Performance Audits (Continued):

- *Judicial-Related Entities*
- *Local Governmental Entities (Selected)*
- *Local Government Financial Reporting System*
- *Northwest Regional Data Center – Cost Allocation Processes*
- *Primary Data Centers – Information Technology Audits*
- *Scholarship Funding Organizations*
- *School Districts (23)*
- *South Florida Water Management District*
- *Southwest Florida Water Management District*
- *St. Johns River Water Management District*
- *State Board of Administration*
- *State Colleges (12)*
- *State Universities (6)*
- *Triumph Gulf Coast, Inc.*

◆ Florida Education Finance Program Examinations (Fiscal Year Ending 6-30-2017):

- *School Districts (27)*

◆ Other Accountability Activities:

- *Annual Reviews of Audit Reports of Charter Schools, Charter Technical Career Centers, School Districts, Local Governmental Entities, and Certain Nonprofit and For-Profit Entities*
- *Compilations of Summary of Significant Financial Trends and Findings*
- *Per Diem Cost Certifications upon Department of Management Services or Department of Corrections Request*
- *Quality Assessment Reviews of Offices of Inspectors General Internal Audit Activities (14)*
- *Technical Advice and Rule and Guideline Maintenance*

EXHIBIT A

PROJECTED WORK PLAN 2018 – 2019

◆ **Financial Audits (Fiscal Year Ending 6-30-2018):**

- *Department of the Lottery*
- *Florida Retirement System Pension Plan and Other State-Administered Systems*
 - *Schedules of Employer Allocations and Pension Amounts by Employer*
- *Local Government Surplus Funds Trust Fund*
- *School Districts, including Federal Awards (47)*
- *State of Florida Reporting Entity, including Audit of Federal Awards*
- *State Colleges (28)*
- *State Universities (12)*

◆ **Operational and Performance Audits:**

- *Agency for Health Care Administration*
- *Agency for Persons with Disabilities*
- *Agency for State Technology*
- *Citizens Property Insurance Corporation*
- *Commission on Offender Review*
- *Department of Children and Families*
- *Department of Children and Families – Florida Online Recipient Integrated Data Access (FLORIDA) System – Information Technology Audit*
- *Department of Corrections*
- *Department of Economic Opportunity – CONNECT System – Information Technology Audit*
- *Department of Elder Affairs*
- *Department of Environmental Protection – Land Acquisitions*
- *Department of Financial Services – Florida Accounting Information Resource (FLAIR) Subsystem – Information Technology Audit*
- *Department of Health*
- *Department of Legal Affairs*
- *Department of the Lottery*
- *Department of Management Services*
- *Department of Management Services – Division of Retirement Integrated Retirement Information System (IRIS) – Information Technology Audit*
- *Department of Revenue*
- *Department of Transportation*
- *Division of Emergency Management*
- *Florida Virtual School*
- *Information Technology Audits of Selected Major Systems*

EXHIBIT A

PROJECTED WORK PLAN 2018 – 2019

◆ Operational and Performance Audits (Continued):

- *Local Governmental Entities (Selected)*
- *Northwest Florida Water Management District*
- *Office of Early Learning*
- *Office of Financial Regulation*
- *Primary Data Centers – Cost Allocation Processes*
- *Primary Data Centers – Information Technology Audits*
- *Public Service Commission*
- *Scholarship Funding Organizations*
- *School Districts (24)*
- *State Colleges (12)*
- *State Universities (5)*
- *Triumph Gulf Coast, Inc.*

◆ Florida Education Finance Program Examinations (Fiscal Year Ending 6-30-2018):

- *School Districts (28)*

◆ Other Accountability Activities:

- *Annual Reviews of Audit Reports of Charter Schools, Charter Technical Career Centers, School Districts, Local Governmental Entities, and Certain Nonprofit and For-Profit Entities*
- *Compilations of Summary of Significant Financial Trends and Findings*
- *Per Diem Cost Certifications upon Department of Management Services or Department of Corrections Request*
- *Quality Assessment Reviews of Offices of Inspectors General Internal Audit Activities (13)*
- *Technical Advice and Rule and Guideline Maintenance*

EXHIBIT B
Reports Released During the Period
November 1, 2015, Through October 31, 2016

Report Number	Audited Entity and Report Title	Report Release Date
State Government		
2016-071	Agency for Persons with Disabilities - iBudget System - Information Technology Operational Audit	01/05/2016
2017-005	Commission on Offender Review - Post-Prison Supervisory Release Programs and Selected Administrative Activities - Operational Audit	08/01/2016
2017-004	Comprehensive Risk Assessments at Selected State Agencies - Information Technology Operational Audit	07/28/2016
2016-198	Department of Business and Professional Regulation - Versa: Regulation - Information Technology Operational Audit	06/21/2016
2017-009	Department of Children and Families - Florida Online Recipient Integrated Data Access (FLORIDA) System - Information Technology Operational Audit	08/29/2016
2016-186	Department of Children and Families - Florida Safe Families Network (FSFN) - Information Technology Operational Audit	04/18/2016
2016-046	Department of Children and Families - Public Assistance Fraud Prevention, Detection, and Recovery Efforts - Operational Audit	11/30/2015
2017-032	Department of Children and Families and Selected Community-Based Care Lead Agencies and Behavioral Health Managing Entities - Cost Allocation Plans - Operational Audit	10/13/2016
2017-037	Department of Corrections - Fixed Capital Outlay - Audit Performed Pursuant to Chapter 2016-66, Laws of Florida - Operational Audit	10/26/2016
2017-038	Department of Corrections - Food Products and Delivery Contract - Operational Audit	10/31/2016
2016-179	Department of Corrections - Inmate Trust Accounts - Inmate Health Care Services Contracts and Prior Audit Follow-Up - Operational Audit	03/31/2016
2017-003	Department of Economic Opportunity - Workforce Services Monitoring and Prior Audit Follow-Up - Operational Audit	07/12/2016
2016-095	Department of Education - Migrant Education Program, Mentoring Grants Monitoring, and the Florida Educational Equity Act - Operational Audit	02/25/2016
2016-050	Department of Education - Selected Administrative Activities and Prior Audit Follow-Up - Operational Audit	12/03/2015
2017-030	Department of Elder Affairs - Financial Management Controls and Selected Administrative Activities - Operational Audit	10/10/2016
2017-001	Department of Environmental Protection - Water Resources Permitting Processes - Operational Audit	07/01/2016
2016-166	Department of Environmental Protection, Department of Law Enforcement, and State Board of Administration - Surplus Computer Hard Drive Disposal Processes - Information Technology Operational Audit	03/29/2016
2016-069	Department of Financial Services - Division of Insurance Fraud and Selected Administrative Activities - Operational Audit	12/28/2015
2016-032	Department of Financial Services - Florida Accounting Information Resource Subsystem (FLAIR) - Information Technology Operational Audit	11/17/2015
2016-199	Department of Financial Services - Special Disability Trust Fund Claims Manager 2004 System - Information Technology Operational Audit	06/21/2016
2016-087	Department of Health - Pharmacy Services and Selected Administrative Activities Prior Audit Follow-Up - Operational Audit	02/11/2016
2016-195	Department of Juvenile Justice - Secure Detention Center Services and Selected Administrative Activities - Operational Audit	05/31/2016

EXHIBIT B
Reports Released During the Period
November 1, 2015, Through October 31, 2016

Report Number	Audited Entity and Report Title	Report Release Date
State Government – Continued		
2017-010	Department of Legal Affairs - Victim Services Prior Audit Follow-Up - Operational Audit	08/29/2016
2016-194	Department of Management Services - Florida State Employees' Charitable Campaign - Operational Audit	05/27/2016
2016-076	Department of Revenue - Administration of the Ad Valorem Tax Program - Performance Audit	01/20/2016
2016-080	Department of the Lottery - Financial Audit	01/29/2016
2017-019	Department of the Lottery - Selected Administrative Activities and Prior Audit Follow-Up - Operational Audit	09/16/2016
2016-188	Division of Emergency Management - Contract and Grant Management and Prior Audit Follow-Up - Operational Audit	04/20/2016
2016-102	Division of Emergency Management - Florida Public Assistance System (FloridaPA.org) - Information Technology Operational Audit	03/03/2016
2017-034	Florida Department of Law Enforcement - Firearm Purchase Program Prior Audit Follow-Up - Operational Audit	10/21/2016
2017-014	Florida Retirement System and Retiree Health Insurance Subsidy Program Cost-Sharing Multiple Employer Defined Benefit Pension Plans – Schedules of Deferred Outflows for Contributions Subsequent to the June 30, 2015, Measurement Date by Employer	08/31/2016
2016-097	Florida Retirement System Pension Plan and Other State - Administered Systems - Financial Audit	02/26/2016
2016-191	Florida State University Northwest Regional Data Center - Data Center Operations - Information Technology Operational Audit	05/10/2016
2016-192	Office of Early Learning and Selected Early Learning Coalitions - Early Learning Programs and Related Delivery Systems - Operational Audit	05/20/2016
2016-196	Office of Financial Regulation - Bureau of Financial Investigations, Information Technology Controls, and Prior Audit Follow-Up - Operational Audit	06/15/2016
2016-184	Schedules of Employer Allocations and Pension Amounts by Employer For the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program Cost-Sharing Multiple Employer Defined Benefit Pension Plans - Financial Audit	04/15/2016
2016-034	State Board of Administration - Local Government Surplus Funds Trust Fund - (Florida PRIME) (An External Investment Pool) – Financial Audit	11/18/2015
2016-159	State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards ^a	03/29/2016
2016-033	University of South Florida - Data Center - Information Technology Operational Audit	11/17/2015
School Districts		
2016-079	Alachua County District School Board - Financial, Operational, and Federal Single Audit	01/28/2016
2016-107	Baker County District School Board - Financial, Operational, and Federal Single Audit	03/10/2016
2016-145	Bradford County District School Board - Financial, Operational, and Federal Single Audit	03/23/2016
2016-180	Broward County District School Board - Financial, Operational, and Federal Single Audit	03/31/2016
2016-088	Calhoun County District School Board - Financial, Operational, and Federal Single Audit	02/12/2016
2016-147	Citrus County District School Board - Financial, Operational, and Federal Single Audit	03/24/2016
2016-157	Clay County District School Board - Financial, Operational, and Federal Single Audit	03/28/2016
2016-068	Collier County District School Board - Financial, Operational, and Federal Single Audit	12/21/2015

^a Our independent auditor's report on the State of Florida's financial statements was published in the State of Florida's *Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015*.

EXHIBIT B

**Reports Released During the Period
November 1, 2015, Through October 31, 2016**

Report Number	Audited Entity and Report Title	Report Release Date
School Districts - Continued		
2016-146	Columbia County District School Board - Financial, Operational, and Federal Single Audit	03/23/2016
2016-136	Desoto County District School Board - Financial, Operational, and Federal Single Audit	03/22/2016
2016-094	Dixie County District School Board - Financial, Operational, and Federal Single Audit	02/24/2016
2016-158	Flagler County District School Board - Financial, Operational, and Federal Single Audit	03/29/2016
2016-110	Franklin County District School Board - Financial, Operational, and Federal Single Audit	03/10/2016
2016-156	Gadsden County District School Board - Financial, Operational, and Federal Single Audit	03/25/2016
2016-105	Gilchrist County District School Board - Financial, Operational, and Federal Single Audit	03/09/2016
2016-148	Glades County District School Board - Financial, Operational, and Federal Single Audit	03/24/2016
2016-104	Gulf County District School Board - Financial, Operational, and Federal Single Audit	03/07/2016
2016-120	Hamilton County District School Board - Financial, Operational, and Federal Single Audit	03/16/2016
2016-137	Hardee County District School Board - Financial, Operational, and Federal Single Audit	03/22/2016
2016-118	Hendry County District School Board - Financial, Operational, and Federal Single Audit	03/15/2016
2016-085	Hernando County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	02/03/2016
2016-167	Hernando County District School Board - Operational Audit	03/30/2016
2016-164	Highlands County District School Board - Financial, Operational, and Federal Single Audit	03/29/2016
2016-141	Holmes County District School Board - Financial, Operational, and Federal Single Audit	03/23/2016
2016-099	Indian River County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	02/29/2016
2016-077	Indian River County District School Board - Operational Audit	01/22/2016
2016-131	Jackson County District School Board - Financial, Operational, and Federal Single Audit	03/21/2016
2016-169	Jefferson County District School Board - Financial, Operational, and Federal Single Audit	03/30/2016
2016-078	Lafayette County District School Board - Financial, Operational, and Federal Single Audit	01/26/2016
2017-017	Leon County District School Board – Prior Operational Audit Follow-Up - Operational Audit	09/08/2016
2016-106	Levy County District School Board - Financial, Operational, and Federal Single Audit	03/10/2016
2016-103	Liberty County District School Board - Financial, Operational, and Federal Single Audit	03/04/2016
2016-132	Madison County District School Board - Financial, Operational, and Federal Single Audit	03/21/2016
2016-123	Manatee County District School Board - Operational Audit	03/16/2016
2016-082	Martin County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	02/01/2016
2016-065	Martin County District School Board - Operational Audit	12/18/2015
2016-093	Monroe County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	02/24/2016
2016-092	Monroe County District School Board - Operational Audit	02/22/2016
2016-127	Nassau County District School Board - Financial, Operational, and Federal Single Audit	03/18/2016
2016-129	Okaloosa County District School Board - Financial, Operational, and Federal Single Audit	03/18/2016
2016-090	Okeechobee County District School Board - Financial, Operational, and Federal Single Audit	02/17/2016
2016-113	Polk County District School Board - Federal Single Audit	03/11/2016
2016-081	Polk County District School Board - Operational Audit	01/29/2016
2016-170	Putnam County District School Board - Financial, Operational, and Federal Single Audit	03/30/2016

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Report Number	Audited Entity and Report Title	Report Release Date
School Districts - Continued		
2016-059	Sarasota County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/15/2015
2016-074	Sarasota County District School Board - Operational Audit	01/12/2016
2016-139	St. Lucie County District School Board - Financial, Operational, and Federal Single Audit	03/22/2016
2016-126	Sumter County District School Board - Financial, Operational, and Federal Single Audit	03/18/2016
2016-162	Suwannee County District School Board - Financial, Operational, and Federal Single Audit	03/28/2016
2016-091	Taylor County District School Board - Financial, Operational, and Federal Single Audit	02/22/2016
2016-096	Union County District School Board - Financial, Operational, and Federal Single Audit	02/26/2016
2016-064	Volusia County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/21/2015
2016-075	Volusia County District School Board - Operational Audit	01/13/2016
2016-083	Wakulla County District School Board - Financial, Operational, and Federal Single Audit	02/01/2016
2016-109	Walton County District School Board - Financial, Operational, and Federal Single Audit	03/10/2016
2016-122	Washington County District School Board - Financial, Operational, and Federal Single Audit	03/17/2016
Florida Education Finance Program		
2016-203	Alachua County District School Board - Florida Education Finance Program	06/30/2016
2017-012	Baker County District School Board - Florida Education Finance Program	08/30/2016
2016-056	Broward County District School Board - Florida Education Finance Program	12/09/2015
2016-200	Escambia County District School Board - Florida Education Finance Program	06/22/2016
2016-062	Florida Virtual School (FLVS) - Florida Education Finance Program	12/17/2015
2016-057	Lake County District School Board - Florida Education Finance Program	12/09/2015
2017-016	Leon County District School Board - Florida Education Finance Program	09/07/2016
2016-193	Marion County District School Board - Florida Education Finance Program	05/24/2016
2017-011	Miami-Dade District School Board - Florida Education Finance Program	08/29/2016
2017-020	Okeechobee County District School Board - Florida Education Finance Program	09/19/2016
2017-036	Orange County District School Board - Florida Education Finance Program	10/25/2016
2016-031	Osceola County District School Board - Florida Education Finance Program	11/10/2015
2016-047	Sarasota County District School Board - Florida Education Finance Program	12/01/2015
2017-015	Seminole County District School Board - Florida Education Finance Program	09/07/2016
2017-018	St. Johns County District School Board - Florida Education Finance Program	09/15/2016
2017-013	Suwannee County District School Board - Florida Education Finance Program	08/31/2016
2016-030	Walton County District School Board - Florida Education Finance Program	11/10/2015
2017-026	Washington County District School Board - Florida Education Finance Program	09/28/2016
2016-185	Washington County District School Board Washington County School Program at Okeechobee Youth Development Center - Florida Education Finance Program	04/15/2016
State Universities		
2016-160	Florida Agricultural and Mechanical University - Financial Audit	03/28/2016
2016-174	Florida Atlantic University - Financial Audit	03/31/2016
2016-134	Florida Atlantic University - Operational Audit	03/21/2016
2016-151	Florida Gulf Coast University - Financial Audit	03/25/2016
2016-182	Florida International University - Financial Audit	03/31/2016

EXHIBIT B

Reports Released During the Period
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Report Number	Audited Entity and Report Title	Report Release Date
State Universities - Continued		
2016-187	Florida International University - Operational Audit	04/19/2016
2016-073	Florida Polytechnic University - Financial Audit	01/12/2016
2016-067	Florida Polytechnic University - Operational Audit	12/18/2015
2016-140	Florida State University - Financial Audit	03/23/2016
2016-143	New College of Florida - Financial Audit	03/23/2016
2016-060	University of Central Florida - Financial Audit	12/15/2015
2016-098	University of Florida - Financial Audit	02/26/2016
2016-058	University of Florida - Operational Audit	12/10/2015
2016-175	University of North Florida - Financial Audit	03/31/2016
2016-128	University of South Florida - Financial Audit	03/18/2016
2016-133	University of South Florida - Operational Audit	03/21/2016
2016-045	University of South Florida Sarasota-Manatee - Financial Audit	11/25/2015
2016-155	University of West Florida - Financial Audit	03/25/2016
State Colleges		
2016-171	Broward College - Financial Audit	03/30/2016
2016-116	Chipola College - Financial Audit	03/14/2016
2016-070	Chipola College - Operational Audit	01/04/2016
2016-121	College of Central Florida - Financial Audit	03/16/2016
2016-138	Daytona State College - Financial Audit	03/22/2016
2017-021	Daytona State College - Operational Audit	09/27/2016
2016-119	Eastern Florida State College - Financial Audit	03/15/2016
2016-084	Eastern Florida State College - Operational Audit	02/01/2016
2016-153	Florida Gateway College - Financial Audit	03/25/2016
2016-168	Florida Keys Community College - Financial Audit	03/29/2016
2016-111	Florida Keys Community College - Operational Audit	03/11/2016
2016-149	Florida SouthWestern State College - Financial Audit	03/25/2016
2016-173	Florida State College at Jacksonville - Financial Audit	03/31/2016
2016-114	Florida State College at Jacksonville - Operational Audit	03/11/2016
2016-112	Gulf Coast State College - Financial Audit	03/11/2016
2016-089	Gulf Coast State College - Operational Audit	02/16/2016
2016-161	Hillsborough Community College - Financial Audit	03/28/2016
2016-183	Hillsborough Community College - Operational Audit	04/08/2016
2016-163	Indian River State College - Financial Audit	03/29/2016
2016-055	Indian River State College - Operational Audit	12/09/2015
2016-117	Lake-Sumter State College - Financial Audit	03/14/2016
2016-048	Lake-Sumter State College - Operational Audit	12/02/2015
2016-181	Miami Dade College - Financial Audit	03/31/2016
2016-190	Miami Dade College - Operational Audit	05/09/2016
2016-144	North Florida Community College - Financial Audit	03/23/2016
2016-142	Northwest Florida State College - Financial Audit	03/23/2016

EXHIBIT B
Reports Released During the Period
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Report Number	Audited Entity and Report Title	Report Release Date
State Colleges - Continued		
2016-165	Palm Beach State College - Financial Audit	03/29/2016
2016-172	Pasco-Hernando State College - Financial Audit	03/31/2016
2016-086	Pensacola State College - Financial Audit	02/08/2016
2016-061	Pensacola State College - Operational Audit	12/17/2015
2016-177	Polk State College - Financial Audit	03/31/2016
2016-152	Santa Fe College - Financial Audit	03/25/2016
2016-053	Santa Fe College - Operational Audit	12/07/2015
2016-130	Seminole State College of Florida - Financial Audit	03/18/2016
2016-101	Seminole State College of Florida - Operational Audit	03/03/2016
2016-150	South Florida State College - Financial Audit	03/25/2016
2017-008	South Florida State College - Operational Audit	08/26/2016
2016-176	St. Johns River State College - Financial Audit	03/31/2016
2016-100	St. Johns River State College - Operational Audit	03/02/2016
2016-124	St. Petersburg College - Financial Audit	03/17/2016
2016-115	St. Petersburg College - Operational Audit	03/14/2016
2016-154	State College of Florida, Manatee-Sarasota - Financial Audit	03/25/2016
2017-027	State College of Florida, Manatee-Sarasota - Operational Audit	09/28/2016
2016-178	Tallahassee Community College - Financial Audit	03/31/2016
2016-135	Tallahassee Community College - Operational Audit	03/22/2016
2016-125	Valencia College - Financial Audit	03/17/2016
2016-052	Valencia College - Operational Audit	12/07/2015
Other Educational Entities and Programs		
2017-002	Florida Bright Futures Scholarship Program - Operational Audit	07/12/2016
2016-108	Florida Virtual School - Operational Audit	03/10/2016
Other Audits and Accountability Activities		
2016-054	AAA Scholarship Foundation - FL, LLC - Operational Audit	12/08/2015
2017-033	AAA Scholarship Foundation - FL, LLC - Operational Audit	10/19/2016
2016-197	City of Archer - Operational Audit	06/21/2016
2017-007	City of Hampton - Prior Audit Follow Up on Report 2014-100 - Operational Audit	08/26/2016
2016-028	Delray Beach Community Redevelopment Agency Follow-Up on Report No. 2014-013 - Operational Audit	11/02/2015
2016-066	Economic Development Activities Administered by the Hardee County Industrial Development Authority, Hardee County Economic Development Authority, and Hardee County Board of County Commissioners and Other Administrative Matters Follow-Up on Operational Report No. 2013-102 - Operational Audit	12/18/2015
2016-189	Health Care District of Palm Beach County - Operational Audit	04/26/2016
2016-202	Report on Significant Financial Trends and Findings Identified in Charter School and Charter Technical Career Center 2014-15 Fiscal Year Audit Reports	06/29/2016
2016-049	Report on Significant Financial Trends and Findings Identified in Local Governmental Entity 2013-14 Fiscal Year Audit Reports and Annual Financial Reports	12/04/2015

EXHIBIT B

**Reports Released During the Period
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Report Number	Audited Entity and Report Title	Report Release Date
Other Audits and Accountability Activities - Continued		
2017-035	Report on Significant Financial Trends and Findings in 2014-15 Fiscal Year Audits of District School Boards	10/25/2016
2016-201	Review of Charter School, Charter Technical Career Center, and District School Board 2014-15 Fiscal Year Audit Reports Pursuant to Section 11.45(7)(b), Florida Statutes	06/29/2016
2016-029	Review of Local Governmental Entity 2013-14 Fiscal Year Audit Reports Prepared by Independent Certified Public Accountants	11/06/2015
2017-006	Review of Nonprofit, For-Profit, and Other Entity Audit Reports For the Fiscal Years Ended October 1, 2014, through September 30, 2015 - Pursuant to Section 215.97(11)(f), Florida Statutes (2015)	08/17/2016
2016-072	Step Up For Students, Inc. - Operational Audit	01/12/2016
2017-031	Step Up For Students, Inc. - Operational Audit	10/12/2016
2016-042	Agency for Health Care Administration - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015
2016-063	Board of Governors - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	12/17/2015
2016-036	Department of Agriculture and Consumer Services - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015
2016-041	Department of Business and Professional Regulation - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015
2017-023	Department of Children and Families - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	09/28/2016
2017-024	Department of Corrections - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	09/28/2016
2016-039	Department of Elder Affairs- Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015
2016-037	Department of Environmental Protection - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015
2016-035	Department of Legal Affairs - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015
2016-040	Department of Management Services - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015
2017-022	Department of State - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	09/28/2016
2016-038	Department of the Lottery - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015
2016-051	Department of Transportation - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	12/04/2015
2017-029	Executive Office of the Governor - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	10/05/2016
2017-028	Fish and Wildlife Conservation Commission - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	10/05/2016
2016-044	Office of Financial Regulation - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015

EXHIBIT B

**Reports Released During the Period
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Report Number	Audited Entity and Report Title	Report Release Date
Other Audits and Accountability Activities - Continued		
2016-043	Office of Insurance Regulation - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/19/2015
2017-025	State Courts System - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	09/28/2016

EXHIBIT C

Reports Released or Scheduled to Be Released Subsequent to October 31, 2016, and By March 31, 2017

State Government

Audit Entity	Scope/Areas of Operations
Agency for Health Care Administration	Statewide Medicaid Managed Care Program and Prior Audit Follow-Up Fraud and Abuse Case Tracking System (FACTS) – Information Technology
Agency for Persons with Disabilities	Client Eligibility and Selected Administrative Activities
Agency for State Technology	State Data Center Cost Allocation Processes and Other Matters Data Centers – Information Technology
Board of Governors	Selected Areas of Operations
Department of Children and Families	Oversight and Administration of State Mental Health Treatment Facilities
Department of Citrus	Selected Areas of Operations
Department of Economic Opportunity	Reemployment Assistance Claims and Benefits Information System - Information Technology
Department of Environmental Protection	Land Acquisitions and Divestitures
Department of Financial Services	Florida Accounting Information Resource Subsystem – Information Technology
Department of Health	Prescription Drug Monitoring Program Acquired Immune Deficiency Syndrome (AIDS) Information Management System (AIMS) - Information Technology
Department of Highway Safety and Motor Vehicles	Commercial Driver's License Program and Prior Audit Follow-Up
Department of the Lottery	Financial Statements
Department of Management Services	Florida Retirement System – Financial Statements Florida Retirement System – Schedules of Employer Allocations – September 30, 2016 Integrated Retirement Information System (IRIS) – Information Technology
Department of Revenue	Taxpayer Refunds and Selected Administrative Activities
Department of State	Division of Corporations, Museum of Florida History, and Selected Administrative Activities
Department of Transportation	Aviation Grant Program and Prior Audit Follow-Up
Executive Office of the Governor	Office of Open Government, Selected Information Technology Controls, and Prior Audit Follow-Up
Florida Housing Finance Corporation	Selected Programs, Activities, and Functions
Multi-Agency	Controls over Mobile Devices at Selected State Agencies – Information Technology
Office of Insurance Regulation	Insurer Rate Filing Review Process and Prior Audit Follow-Up
State Board of Administration	Local Government Surplus Funds Trust Fund – Financial Statements Eagle STAR, PeopleSoft Financials, and Local Government Surplus Trust Fund – Information Technology
State of Florida	Financial Statements and Federal Awards

EXHIBIT C

Reports Released or Scheduled to Be Released Subsequent to October 31, 2016, and By March 31, 2017

Educational Entities

Audit Entity	Scope/Areas of Operations
Florida Education Finance Program - Selected District School Boards and Other Entities (23)	Compliance with Reporting Requirements
Florida School for the Deaf and the Blind	Selected Areas of Operations
School Districts (66)	Financial, Federal Awards, and Selected Areas of Operations
State Colleges (33)	Financial and Selected Areas of Operations
State Universities (17)	Financial and Selected Areas of Operations

Other

Audit Entity	Scope/Areas of Operations
Citrus County	Selected Areas of Operation
City of North Miami	Selected Areas of Operation
City of Palatka	Selected Areas of Operation
City of Starke	Follow-Up on Report No. 2015-009
Florida Clerks of Court Operations Corporation	Selected Areas of Operation
Putnam County	Selected Areas of Operation
Sunshine Water Control District	Follow-Up on Report No. 2014-199
Suwannee River Water Management District	Selected Areas of Operation
Walton County	Selected Areas of Operation
Review of Local Governmental Entity 2014-15 Fiscal Year Audit Reports Prepared by Independent Certified Public Accountants	Results of Review of Audit Reports Submitted Pursuant to Section 218.39, Florida Statutes
Report on Significant Financial Trends and Findings in Local Governmental Entity 2014-15 Fiscal Year Audit Reports and Annual Financial Reports	Significant Findings and Financial Trends Identified in Audit Reports Reviewed

EXHIBIT D

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- ◆ Calling (850) 412-2722
- ◆ E-mailing flaudgen@aud.state.fl.us
- ◆ Visiting our Web site at

www.myflorida.com/audgen

(Reports available in downloadable PDF format.)

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