



ANNUAL REPORT

2017

NOVEMBER 1, 2016, THROUGH OCTOBER 31, 2017

LEGISLATIVE AUDITING COMMITTEE

2016 - 2018



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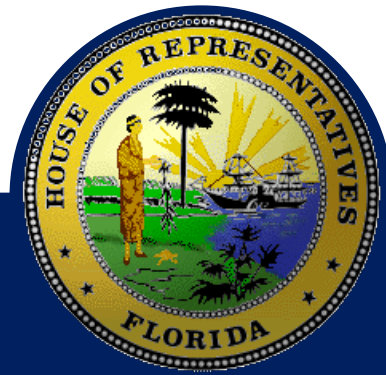
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The Legislative Auditing Committee is established by Joint Rules of the Florida Legislature and its membership consists of members appointed from each house. The Committee may direct the Auditor General to conduct an audit, review, or examination of any entity or record as specified in Section 11.45(3), Florida Statutes. This includes State agencies, counties, municipalities, special districts, school districts, 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

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Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
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November 30, 2017

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 32399-1100

Dear President Negron and Speaker Corcoran:

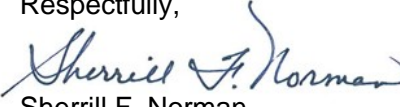
I am pleased to provide the Auditor General's Annual Report for the period November 1, 2016, through October 31, 2017. In accordance with Section 11.45(7)(h), Florida Statutes, this Annual Report includes a list of statutory and fiscal changes recommended by the Auditor General for legislative consideration as well as our Projected 2-Year Work Plan identifying the audit and other accountability activities expected to be undertaken during the 2018-19 and 2019-20 fiscal years. Our 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, 2016, through October 31, 2017. These audits and other accountability activities include assignments made to our Office both in law and by legislative directive. During this period, our dedicated team of audit professionals and support staff issued over 200 reports related to operational, financial, and Federal awards audits and attestation examination engagements of State and local governmental entities.

When conducting audits and other accountability activities, we remain mindful of our professional services goal, which 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.

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 Senate and House
Chiefs of Staff
Committee Staff Directors

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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.

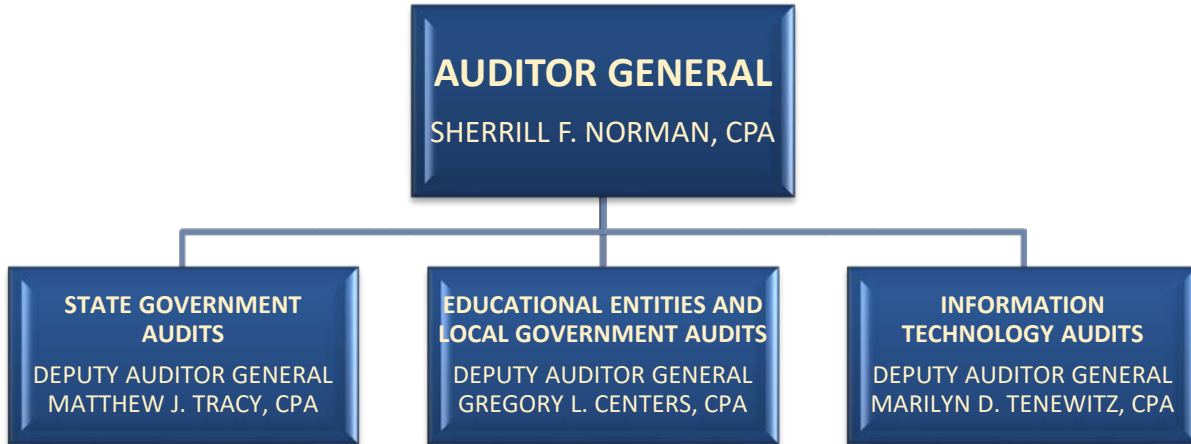
Our Mission

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 our 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 our professional audit staff are assigned to various other locations throughout the State. These locations facilitate our audits of the State agencies headquartered outside Tallahassee, State universities, State colleges, and school districts, as well as our audits of local governmental entities.



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, 2017, our audit professionals included:

- ◆ 171 Certified Public Accountants.
- ◆ 21 Certified Information Systems Auditors.
- ◆ 8 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 enrollment reported to the Department of Education and used to determine Florida Education Finance Program FTE Student Enrollment 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 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 all management staff with responsibilities for audits or attestations to 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, 2016, through October 31, 2017, is included in this report as ***EXHIBIT B***. An overview of our audits and other accountability activities completed during the period November 1, 2016, through October 31, 2017, begins on page 13 of this Annual Report. Copies of audit and other reports are available on our Web site at www.FLAuditor.gov 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 House Education

- ◆ **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 Government Accountability

- ◆ **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 to 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 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

◆ **Judicial Agencies** – The Legislature should consider amending Section 28.35(2)(d), Florida Statutes, to require clerks of the circuit court to timely report performance measure data to the Florida Clerks of Court Operations Corporation and authorize the Corporation to impose financial penalties on clerks who do not timely report such data.

Audit Manager: Michael J. Gomez, CPA

Policy Areas: Senate Governmental Oversight and Accountability

Senate Judiciary

House Government Accountability

House Judiciary

- ◆ **Department of Financial Services** – The Legislature should consider amending Section 17.03, Florida Statutes, to require the Department of Financial Services to enter into a contract with the Florida Clerks of Court Operations Corporation for audits of the court-related expenditures of the individual clerks of the circuit court required by Section 28.35(2)(e), Florida Statutes.

Audit Manager: Michael J. Gomez, CPA

Policy Areas: Senate Governmental Oversight and Accountability

Senate Community Affairs

Senate Judiciary

House Government Accountability

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
Matthew J. Tracy, CPA**

Policy Areas: Senate Governmental Oversight and Accountability

House Government Accountability

- ◆ **State Board of Administration** – To enhance transparency, the Legislature should consider amending Section 215.985, Florida Statutes, to require the State Board of Administration to post contract information on the Board's Web site.

Deputy Auditor General: 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 audits, operational audits, performance audits, 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. Professional standards issued by the AICPA and the Comptroller General of the United States in *Government Auditing Standards* govern the nature, timing, and extent of the work performed. 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 organizationwide audit that includes, within its scope, work designed to meet the oversight needs of many Federal and pass-through grantors and State accountability officials. The Single Audit is performed in accordance with audit requirements located in the OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Title 2, Part 200, Code of Federal Regulations) (Uniform Guidance), as well as applicable professional standards issued by the AICPA and *Government Auditing Standards*.

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 include, among other procedures, 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 (or fairly stated), in all material respects, based on the specified criteria. Examination engagements are conducted in accordance with the *Statements on Standards for Attestation Engagements* issued by the AICPA and applicable *Government Auditing Standards*. For example, our evaluations of school district and other entity compliance with State requirements governing the determination and reporting of full-time equivalent student enrollment 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, the Florida School for the Deaf and the Blind, 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 conduct a financial audit of the Department of the Lottery. We also conduct the annual financial audit of the Florida Retirement System.

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.

2017-18 Work Plan

Our 2017-18 Work Plan encompasses a wide variety of programs, activities, and functions administered by many entities. Some of the unique projects on our 2017-18 Work Plan include operational audits of the Agency for Health Care Administration's collection and use of Medicaid managed care encounter data; the Department of Business and Professional Regulation, Division of Pari-Mutuel Wagering; the Federal Family Education Loan Program System at the Department of Education; selected operations at the Hillsborough County Aviation Authority; and selected operations at the City of Opa-locka.

An overview of our audits and other accountability activities completed during the period November 1, 2016, through October 31, 2017, begins on page 13 of this Annual Report. A listing of all reports released during the period November 1, 2016, through October 31, 2017, is included in this report as **EXHIBIT B**. Additionally, a listing of reports released or scheduled to be released subsequent to October 31, 2017, and by March 31, 2018, 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 2018-19 and 2019-20 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	\$547.1 billion
Total revenues upon which financial statement opinions were rendered	\$155.1 billion
Total Federal awards expenditures for major programs audited	\$20.7 billion
Total American Recovery and Reinvestment Act Federal awards expenditures audited	\$136.3 million
Total number of major Federal programs audited	18
Number of audit reports released	
Attestation	1
Financial	4
Financial and Federal Awards	1
Operational ^a	<u>16</u>
Total number of audit reports released	<u>22</u>
Number of audit findings	170
Number of findings identifying potential opportunities for cost recovery, savings, or loss avoidance	
	62
Total amount identified for cost recovery, savings, or loss avoidance	\$1.6 million

^a 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, 2016, 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, 2016*.

Our report on the audit of the State's financial statements included five findings involving internal control over financial reporting, including a significant deficiency¹ at each of three State agencies. The significant deficiencies pertained to internal controls relevant to the completeness of certain liabilities, expenditures, receivables, and unavailable revenue. In addition, one State agency did not record a prior-period adjustment for the correction of an error in previously issued financial statements. 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. 2017-180).

Separate from our audit of the State of Florida's financial statements, we conducted audits of the financial statements of the Florida Retirement System Pension Plan and Other State-Administered Systems, the State Board of Administration (SBA) Local Government Surplus Funds Trust Fund (Florida PRIME), and the Department of the Lottery (Lottery). 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.

Our report (report No. 2017-073) on the audit of the Florida Retirement System Pension Plan and Other State-Administered Systems included two findings, including one material weakness.² The material weakness pertained to internal controls relevant to the proper identification, accrual, and recording of accounts payable and amounts due to other governmental units. The second finding related to the payment of retirement benefits to National Guard retirees without documentation from the Department of Military Affairs that included an authorized signature certifying the accuracy of the data reported and used as the basis for payment. Additionally, our report (report No. 2017-099) on the audit of Florida PRIME included a finding pertaining to enhancements needed in the SBA's risk-based investment compliance monitoring of the activities and investments of Florida PRIME.

For the Lottery, we also examined internal control over financial reporting as of June 30, 2016, 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, 2016, based on the established criteria. However, we also noted in our report (report No. 2017-103) two findings involving the need for enhancements to certain Lottery information technology (IT) internal control practices and the need for the Lottery to continue its efforts to comply with all statutory requirements governing minority retailer participation.

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, 2016, 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, 2016; total deferred outflows of resources; total deferred inflows of resources; and total pension expense/(income) for the total of all participating entities

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.

² 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 for the financial statements will not be prevented, or detected and corrected, on a timely basis.

for the System Pension Plans as of and for the fiscal year ended June 30, 2016, in accordance with accounting principles generally accepted in the United States of America (report No. 2017-097).

We also conducted an attestation examination of the System Pension Plans schedules of deferred outflows by employer for contributions subsequent to the June 30, 2016, measurement date, as of and for the fiscal year ended June 30, 2017. This examination found that the schedules presented, in all material respects, the deferred outflows for contributions subsequent to the June 30, 2016, measurement date by employer in accordance with applicable GASB statements and applicable provisions of State law (report No. 2018-014).

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 575 Federal awards programs or program clusters during the 2015-16 fiscal year. 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, 2016, are described in our report No. 2017-180.

We audited the State's compliance with requirements governing the 18 Federal awards programs or program clusters that we identified as major Federal awards programs for the fiscal year ended June 30, 2016. Expenditures for these major programs comprised approximately 58 percent of the \$35.3 billion in total Federal awards expenditures reported by the State for the fiscal year ended June 30, 2016. 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	Number of	
	Findings	State Agencies
Cash Management	2	2
Contract Documentation	1	1
Eligibility and Claims Payments	5	4
Expenditures and Supporting Documentation	3	1
Information Technology Internal Controls	9	7
Matching, Level of Effort, Earmarking	2	2
Medicaid Program Administration	3	2
Payroll Charges and Personnel Records	2	2
Record Systems and Reporting	6	5
Statewide Cost Allocation Plan	2	2
Subawards and Monitoring	9	7
Unemployment Benefits and Tax Administration	2	1

We found that the State agencies materially complied with requirements governing major Federal awards programs, except with respect to compliance with certain requirements for six 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.
- ◆ Highway Planning and Construction Cluster.
- ◆ Migrant Education – State Grant Program.
- ◆ Rehabilitation Services – Vocational Rehabilitation Grants to States.
- ◆ Temporary Assistance for Needy Families Cluster.
- ◆ Unemployment Insurance.

Additionally, we reported material weaknesses in internal control over compliance³ for the following two programs:

- ◆ Child Support Enforcement.
- ◆ Unemployment Insurance.

Other instances of noncompliance or deficiencies in internal control over compliance⁴ were found at 12 State agencies. 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, 2016, through October 31, 2017, we released 16 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.
- ◆ The Quality Assurance Review Program, the Hardest Hit Fund, the State Housing Initiatives Partnership Program, and selected administrative activities of the Florida Housing Finance Corporation.
- ◆ Administration of the Prescription Drug Monitoring Program by the Department of Health.
- ◆ Administration of the Aviation Grant Program by the Department of Transportation.
- ◆ Client eligibility determination and contract management processes and other selected administrative activities of the Agency for Persons with Disabilities.
- ◆ Administration of taxpayer refunds by the Department of Revenue.

³ 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.

⁴ 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.

- ◆ Oversight and administration of State Mental Health Treatment Facilities by the Department of Children and Families.
- ◆ Agency for State Technology, State Data Center cost allocation processes.
- ◆ Executive Office of the Governor information security controls and mobile device management.
- ◆ Administration of the Statewide Medicaid Managed Care Program by the Agency for Health Care Administration.
- ◆ Asset management, related financial reconciliations, and selected administrative activities of the Florida School for the Deaf and the Blind.

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	10	6
Central Pharmacy Administration	2	1
Construction and Related Activities	6	2
Contraband Procedures and Records	1	1
Contractual Services	10	2
Critical Event Reporting	1	1
Eligibility and Financial Assistance Payments	1	1
Expenditures and Disbursements	5	4
Facility Licenses	1	1
Facility Staffing Requirements	1	1
Financial Management and Record Keeping	4	4
Florida Single Audit Act	1	1
General Oversight or Governance	5	5
Information Technology Resources	28	13
Licensing and Related Activities	4	3
Personnel and Payroll	2	2
Program Administration, Oversight, and Monitoring	21	8
Purchasing Practices	4	4
Revenue and Cash Collections	2	2
Risk Management	2	2
Safeguarding of Social Security Numbers	3	3

The results of several of our operational audits issued during the period November 1, 2016, through October 31, 2017, are summarized below.

- ◆ **Florida Housing Finance Corporation (Report No. 2017-047).** As required by Chapter 2013-83, Laws of Florida, the Auditor General conducted an operational audit of the Florida Housing Finance Corporation (Corporation). Our audit focused on the Corporation's Quality Assurance Review Program, the Hardest Hit Fund, the State Housing Initiatives Partnership (SHIP) Program, and selected administrative activities and included a follow-up on the findings noted in our report No. 2013-047. Our audit disclosed that the Corporation had not documented the service organization controls relied upon by the Corporation or always ensured that related service auditor's reports clearly and specifically addressed the design and operating effectiveness of all applicable controls. Our audit also found that Corporation controls for conducting quality assurance reviews and reassessing applicant eligibility for certain Hardest Hit Fund programs needed enhancement. Additionally, we noted, among other things, that improvements in Corporation controls over the electronic transfer of SHIP Program funds to subrecipients were needed, Corporation expenses did not always appear to be clearly necessary to the performance of the Corporation's statutory duties or limited to the amounts provided by State law, and Corporation policies and procedures for employee bonuses did not specify the methodology for calculating bonus amounts or determining the total amount of funds available for bonuses.
- ◆ **Department of Transportation – Aviation Grant Program and Prior Audit Follow-Up (Report No. 2017-121).** The Department of Transportation (DOT) administers the Aviation Grant Program to provide funding for airport planning, airport improvement, land acquisition, airport economic development, and development and improvement of aerospace transportation facilities. Our audit found that the DOT had not established detailed and comprehensive policies and procedures for administering the Aviation Grant Program, DOT records did not evidence the basis for awarding 224 Aviation Grant Program contracts totaling approximately \$258.2 million in State financial assistance (SFA), and Aviation Grant Program contracts did not always evidence that recipients of SFA had been provided the information necessary to comply with Florida Single Audit Act requirements. Our audit also found that Aviation Grant Program contracts did not always include the provisions required by State law or sufficiently define deliverables in accordance with Department of Financial Services guidelines, contract payments were not always supported by sufficient documentation, DOT staff did not always conduct or adequately conduct and document required Aviation Grant Program project site visits, and DOT records did not always evidence approval of grant recipient airport master plans. Additionally, our audit noted internal control deficiencies related to the Commission for the Transportation Disadvantaged, the Road Ranger Service Patrol Program, and selected DOT administrative activities.
- ◆ **Department of Revenue – Taxpayer Refunds and Selected Administrative Activities (Report No. 2017-148).** Our operational audit of the Department of Revenue (DOR) focused on the administration of taxpayer refunds and selected administrative activities. Our audit found that DOR controls for timely and appropriately processing taxpayer refunds needed enhancement. Specifically, DOR controls needed enhancement to ensure that refund applications are timely examined, applicants are timely notified of any apparent applications errors or omissions, overpayments of tax are timely refunded, and interest due on tax overpayments is calculated and paid in accordance with State law. Our audit also disclosed that the DOR did not always cancel purchasing cards upon the cardholders' separation from DOR employment and the DOR did not always comply with the requirements of State law regarding public deposits.

- ◆ **Department of Children and Families – Oversight and Administration of State Mental Health Treatment Facilities (Report No. 2017-205).** Our operational audit of the Department of Children and Families (DCF) focused on the oversight and administration of State Mental Health Treatment Facilities (Facilities) and the oversight of the Sexually Violent Predator Program (SVPP) Facility. We performed audit procedures at the DCF and the three DCF-managed Facilities: Florida State Hospital, North East Florida State Hospital, and the North Florida Evaluation and Treatment Center. Our audit disclosed that improvements were necessary to ensure that all Facilities are licensed in accordance with State law, the Facilities and SVPP Facility are appropriately monitored, and the square footage for DCF-managed Facilities is accurately reported. In addition, our audit disclosed that DCF-managed Facilities staff did not always prepare required incident reports or report to the DCF critical events in accordance with DCF procedures, DCF-managed Facilities did not always meet minimum staffing requirements, and DCF-managed Facility controls for pharmaceuticals needed improvement. We also noted that DCF-managed Facilities did not always properly account for and safeguard contraband; did not always ensure that expenditures were authorized by State law, adequately supported, properly calculated, or subject to appropriate approval; and did not always ensure that expenditures were appropriately coded and accounted for. Additionally, we found that DCF-managed Facilities did not always allocate costs in a manner that accurately identified the costs to provide civil and forensic services and Florida State Hospital and North East Florida State Hospital accounting controls for tracking and detection canines needed enhancement.

- ◆ **Executive Office of the Governor – Information Security Controls and Mobile Device Management (Report No. 2017-213).** Our operational audit of the Executive Office of the Governor (EOG) focused on information security controls, mobile device management, and the Office of Open Government. Our audit found that the EOG did not always ensure that Information Security Manager appointments were timely made and reported in accordance with State information security laws and rules, EOG records did not evidence that EOG personnel completed initial security awareness training or were provided annual security awareness training in accordance with Agency for State Technology rules, and the EOG did not always ensure that information technology personnel whose duties placed them in positions of special trust were subject to required background screenings. Our audit also noted that Office of Policy and Budget (OPB) records did not evidence that OPB network access privileges were timely deactivated upon an employee’s separation from EOG employment or that periodic reviews of user access privileges to the Legislative Appropriations Subsystem/Planning and Budgeting Subsystem or the Budget Amendment Processing System (BAPS) were conducted. Additionally, we found that certain security controls related to logging and monitoring OPB network and application activities needed improvement, OPB records did not evidence independent review and testing of BAPS programming changes, EOG records did not always evidence that mobile device users had been appropriately authorized to access the EOG or OPB e-mail systems, and security controls over mobile device utilization needed improvement.

A listing of all State Government audit and attestation reports released during the period November 1, 2016, through October 31, 2017, 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) Student Enrollment 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	\$26.8 billion
Total revenues upon which financial statement opinions were rendered	\$15.6 billion
Total Federal awards expenditures for major programs audited	\$570.3 million
Number of audit reports released	
Financial and Federal Awards	47
Operational	<u>20</u>
Total number of audit reports released	<u>67</u>
Number of audit findings	206
Number of findings identifying potential opportunities for cost recovery, savings, or loss avoidance	
	87
Total amount identified for cost recovery, savings, or loss avoidance	\$27.5 million

Financial Statements We audited the financial statements of 47 school districts for the fiscal year ended June 30, 2016. 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 a material weakness⁵ and material noncompliance⁶ at one school district, a material weakness at a second school district, and significant deficiencies⁷ at 12 school districts. The material weakness and material noncompliance finding at the first school district related to continued deficient controls over the budgetary process which contributed to school district General Fund total assigned and unassigned fund balance deficits at June 30, 2015, and June 30, 2016, of \$242,542 and \$33,048, respectively. The

⁵ 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.

⁶ Material noncompliance is noncompliance with provisions of laws, regulations, contracts, or grant agreements that has a material effect on the financial statements.

⁷ 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.

material weakness at the second school district pertained to improvements needed in the school district's accountability over school internal funds. The significant deficiencies noted at 12 school districts related to financial reporting procedures, account reconciliation processes, inappropriate or unnecessary information technology access privileges, improper separation of duties in electronic funds transfer agreements, and improvements needed in controls over journal entries.

Federal Awards In conjunction with our financial audits of the 47 school districts, we examined the school districts' compliance with Federal laws, regulations, and the terms and conditions for school district major Federal awards programs. The Federal Single Audit Act mandates that the auditor express an opinion on compliance for each school district major Federal awards program and test and report on internal controls over compliance in accordance with Uniform Guidance. For the 47 school districts subject to audit, the number of major Federal awards programs ranged from one to seven. In summary, our audits of the various major Federal awards programs at school districts disclosed that:

- ◆ 9 school districts had deficiencies in internal controls over compliance with Federal awards requirements, which resulted in 16 significant deficiency⁸ findings. These 9 school districts were cited for deficiencies in allocating certain Federal funds to schools, ensuring that teachers who taught core academic subjects in certain schools were highly qualified, complying with various Federal requirements related to the Federal Pell Program, documenting personnel costs, maintaining excess net cash resources in the food service program, and other areas.
- ◆ 11 findings, that related to 7 school districts, identified Federal awards questioned costs totaling \$850,336. 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 During the period November 1, 2016, through October 31, 2017, we conducted operational audit procedures for 19 school districts and considered the school districts' performance with respect to a variety of areas including internal control systems and compliance with specific laws and 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, 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.

⁸ 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	5	5
Adult Education Enrollment Reporting	7	7
Board Policies and Actions	1	1
Capital Assets, Equipment, and Inventory	2	2
Cash and Cash Collections	6	5
Charter Schools	4	4
Construction and Related Activities	12	5
Direct-Support Organization	3	3
Electronic Funds Transfers	1	1
Facilities	2	2
Federal Awards	16	9
Financial Management and Budgetary Internal Controls	6	6
Financial Reporting	14	14
Information Technology Internal Controls	38	21
Insurance	1	1
Personnel and Payroll	46	17
Purchasing Practices and Contractual Services	12	10
Sexual Predator and Sexual Offender Registry Notification	1	1
Student Instruction	1	1
Transportation Administration	3	1
Virtual Instruction Programs	21	10
Workforce Development Funds	4	4

The findings we noted for some of the audit areas are briefly described below.

- ◆ **Information Technology Internal Controls** – For 21 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 restricting IT access privileges to only what is needed by the user to perform assigned job duties, reviewing certain IT access privileges to promote the timely detection of inappropriate or unnecessary privileges, and timely deactivating the IT access privileges of former employees. We also noted that school districts could enhance internal controls over IT by improving user authentication internal controls, as well as logging and monitoring significant system and network activity. Other needed enhancements involved developing effective internal controls to address management’s security-related responsibilities, including risk assessment, data loss prevention, disaster recovery, and security incident response.

- ◆ **Personnel and Payroll** – Our audits disclosed that 17 school districts needed to enhance internal controls over the administration of personnel and payroll. For example, we noted Florida Best and Brightest Teacher Scholarship Program awards to ineligible recipients, incomplete payroll records, the lack of timely employee background screenings, and the lack of Board-approved salary schedules or policies and procedures addressing statutory compensation requirements. Amounts identified for cost recovery, savings, or loss avoidance related to the personnel and payroll audit findings ranged from \$8,256 to \$231,175.
- ◆ **Financial Reporting** – Our audits disclosed that 14 school districts needed to enhance internal controls over financial reporting. For example, we noted that financial reporting procedures needed improvement to ensure that school districts properly report account balances and transactions, component units, and expenditures listed on the Schedule of Expenditures of Federal Awards. At one school district, we also noted the lack of timely submission of the annual financial report to the Department of Education.
- ◆ **Purchasing Practices and Contractual Services** – Our audits disclosed that 10 school districts needed to enhance internal controls over purchasing practices and contractual services. For example, we noted enhancements were needed in internal controls over purchasing card programs as well as the administration of contractual service agreements and related payments. At 2 school districts, we noted deficiencies in internal controls over specific major purchases of a bus routing system and school system management software. Amounts identified for cost recovery, savings, or loss avoidance related to the purchasing practices and contractual services audit findings ranged from \$5,419 to \$1,663,500.
- ◆ **Virtual Instruction Programs (VIPs)** – At 10 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, and student eligibility.

A listing of all school district audit reports released during the period November 1, 2016, through October 31, 2017, is included in **EXHIBIT B** of this Annual Report.

FLORIDA EDUCATION FINANCE PROGRAM

Florida Education Finance Program Full-Time Equivalent Student Enrollment and Student Transportation Examination Impact Measures	
Total FTE Student Enrollment reported upon which compliance opinions were rendered	1,329,490
Total FTE Student Enrollment funding for entities examined	\$3.7 billion
Total Student Transportation funding for entities examined	\$223 million
Number of compliance examination reports released	
School Districts	34
Other Educational Entities	<u>1</u>
Total number of reports released	<u>35</u>
Number of reports disclosing material noncompliance	35

Florida Education Finance Program (FEFP) funding, including Student Transportation funding (net of local school district funding), totaled approximately \$7.5 billion and \$7.8 billion, respectively, for the 2014-15 and 2015-16 fiscal years. During the period November 1, 2016, through October 31, 2017, we completed examinations of the records of 17 school districts for the fiscal year ended June 30, 2015, and 17 school districts and the Florida Virtual School for the fiscal year ended June 30, 2016. 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 34 school districts and the Florida Virtual School complied with State requirements. 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. Table 4 summarizes the areas of material noncompliance noted in our reports.

Table 4
Tabulation of Entities with FEFP FTE Student Enrollment
and Student Transportation Findings
by Material Noncompliance Area

Material Noncompliance Area	Number of Entities
Preparation and Maintenance of Student Records	35
Teacher Qualifications	18
Ridership Classification and Funding Eligibility of Transported Students	16

As shown in Table 4, the most common area of material noncompliance pertained to the preparation and maintenance of student records. For example, our examinations disclosed reporting errors or student 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 noted instances in which teachers did not meet State certification requirements, teachers' out-of-field assignments were not approved by the school board, parents were not notified regarding teachers' out-of-field status, and teachers did not earn the required in-service training points in ESOL strategies. The material noncompliance we noted related to student transportation involved students' reported ridership classification or eligibility for State transportation funding.

The Department of Education 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 Department of Education 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 Student Enrollment and Student Transportation attestation examination reports issued during the period November 1, 2016, through October 31, 2017, is included in [EXHIBIT B](#) of this Annual Report.

STATE UNIVERSITIES AND STATE COLLEGES

State Universities and State Colleges Audit Impact Measures	
Total asset values upon which financial statement opinions were rendered	\$32 billion
Total revenues upon which financial statement opinions were rendered	\$16.8 billion
Number of audit reports released	
Financial	40
Operational	<u>10</u>
Total number of audit reports released	<u>50</u>
Number of audit findings	53
Number of findings identifying potential opportunities for cost recovery, savings, or loss avoidance	
	3
Total amount identified for cost recovery, savings, or loss avoidance	\$65,832

Financial Statements During the period November 1, 2016, through October 31, 2017, we completed audits of the financial statements of 12 State universities and 28 State colleges for the fiscal year ended June 30, 2016. We found that the State universities and State colleges 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. However, we also reported a significant deficiency at one State college. The significant deficiency pertained to insufficient College procedures to provide for: appropriate separation of the bank account reconciliation and journal entry responsibilities; proper reconciliations of bank statement cash account balances to the general ledger cash account balances, with appropriate supervisory approval; and timely required adjustments to the general ledger cash account balances as a result of the bank account reconciliations. Additionally, before acceptance of audit adjustments to properly report the cash and cash equivalents account, the College had overstated that account by \$2,477,733.

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. A description of our Single Audit of the State of Florida begins on page 15.

Operational Audits During the period November 1, 2016, through October 31, 2017, we released operational audit reports for 6 State universities and 4 State colleges. 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 information technology (IT) internal controls, the assessment and use of tuition fees, internal controls over the administration of construction contracts, procurement practices, textbook affordability, and internal controls over the administration of payroll and personnel.

Our operational audit findings and the financial audit finding are tabulated in Table 5 by audit area.

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

Audit Area	Number of	
	Findings	Institutions
Board Policies and Actions	2	2
Construction and Related Activities	7	3
Expenditures and Disbursements	2	2
Financial Management	4	3
Information Technology Internal Controls	13	8
Personnel and Payroll	10	8
Purchasing Practices and Contractual Services	5	5
Sexual Predator and Sexual Offender Registry Notification	1	1
Textbook Affordability	8	8
Tuition and Fees	1	1

Some findings that were reported at several State universities or State colleges are summarized below.

- ◆ **Personnel and Payroll** – Eight institutions needed to improve the administration of personnel and payroll functions. For example, we reported that four institutions needed to implement or enhance procedures to document employee time worked or supervisory review and approval of employee time worked. Four institutions needed to improve controls related to background screenings for individuals in positions of special trust or responsibility. We also noted that one institution could enhance procedures over compensation payments made to employees who separated from the institution. For one institution, we noted fringe benefits and accumulated annual leave payments incorrectly reported to the Florida Retirement System as regular compensation. Amounts identified for cost recovery, savings, or loss avoidance related to the personnel and payroll audit findings ranged from \$10,902 to \$12,699.
- ◆ **Information Technology Internal Controls** – For eight institutions, we reported that information technology (IT) internal controls enhancements were needed for financial and related systems. For example, needed enhancements involved restricting IT access privileges to only those needed to perform assigned job duties, developing procedures to timely review access privileges, improving internal controls related to user authentication and data loss prevention, logging and monitoring of significant system activity, developing and implementing a security awareness program, and developing a comprehensive, written IT disaster recovery plan.

- ◆ **Textbook Affordability** – Eight institutions needed to improve textbook affordability policies and procedures. For example, we noted that certain institutions did not timely post textbook information to the institutions' Web sites or did not maintain records to document the dates the required textbook information was posted to the 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** – Five institutions needed to improve internal controls over certain purchasing practices. We noted that internal controls over purchasing card procedures needed enhancement. Records at one institution did not demonstrate that operating software was acquired at the lowest price consistent with desired quality or that the institution timely considered provider security controls associated with data that would be stored using the software. We also noted that the agreement with the software provider did not specify the delivery dates of the provider deliverables.
- ◆ **Construction and Related Activities** – Three institutions needed to enhance internal controls over facilities construction and maintenance. For two of the institutions, we noted that internal controls over project general conditions costs needed improvement and that the institutions' procedures also needed improvement to ensure that subcontractors for guaranteed maximum price (GMP) projects were selected using a competitive selection process and that documentation of the selection process was maintained. The procedures at one institution should be enhanced to require documentation evidencing that, before construction management entity (CME) payments relating to GMP projects are made, the amounts requested by the CME for payment are compared with appropriate supporting documentation. Another institution did not document that subcontractors were appropriately licensed before work commenced on GMP projects. Contrary to State law, the third institution did not competitively select CME, architectural, and engineering firms for the renovations and repairs for two projects with costs totaling \$18.9 million.

A listing of all State university and State college audit reports released during the period November 1, 2016, through October 31, 2017, is included in [EXHIBIT B](#) of this Annual Report.

OTHER EDUCATIONAL ENTITIES AND PROGRAMS

North East Florida Educational Consortium – Educational Technology Services (NEFEC ETS)

We conducted an information technology operational audit of NEFEC ETS. A discussion of the audit is included under Information Technology Audits beginning on page 32.

A listing of all audit reports released during the period November 1, 2016, through October 31, 2017, including our report on the North East Florida Educational Consortium, 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 the 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 Agencies and Related Entities We released 14 IT operational audits of State agencies and related entities during the period November 1, 2016, through October 31, 2017. These audits evaluated critical or complex systems or processes at 12 State agencies, the State Board of Administration, and the Northwest Regional Data Center (NWRDC) at Florida State University. These systems and processes included:

- ◆ The Reemployment Assistance Claims and Benefits Information System (a Web-based claims management system used by the Department of Economic Opportunity for all Reemployment Assistance Program functions).
- ◆ The Acquired Immune Deficiency Syndrome Information Management System (AIMS2.0) (a contract management and reporting system used by the Department of Health to manage, monitor, and track funds received from various sources for the care of the HIV/AIDS population throughout the State of Florida).
- ◆ Data center operations at the Agency for State Technology.
- ◆ 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).
- ◆ The Fraud and Abuse Case Tracking System (FACTS) (a case management system used by the Agency for Health Care Administration to track and manage the audits and investigations of the Office of Medicaid Program Integrity).
- ◆ The Integrated Retirement Information System (IRIS) (used by the Division of Retirement within the Department of Management Services to support the functions required to provide retirement services).

- ◆ Florida PRIME, Eagle-Straight-Through Accounting and Recordkeeping (Eagle STAR), and PeopleSoft Financials (financial systems used by the State Board of Administration to provide investment services to State and local governmental entities in the State of Florida).
- ◆ IT controls applicable to managing and securing mobile devices connected to selected State agency networks or used to store confidential and sensitive agency data.
- ◆ The Florida Women, Infants, and Children (WIC) Information System and Electronic Benefits Transfer (EBT) data system (FL-WiSE) (a Web-based system used by the Department of Health to support the WIC program services delivery that interfaces with an EBT processor to deliver client benefits).
- ◆ The Federal Programs Management subsystem (FPM) (a subsystem of the Department of Transportation's primary management system for planning, managing, financing, and budgeting transportation projects).
- ◆ Data center operations at the NWRDC.
- ◆ The Substance Abuse and Mental Health Information System (SAMHIS) (a database used by the Department of Children and Families and Behavioral Health Managing Entities to collect, store, and report data related to clients receiving substance abuse and mental health services).
- ◆ The Florida Real Time Vehicle Information System (FRVIS) (used by the Department of Highway Safety and Motor Vehicles to facilitate the collection of fees and taxes associated with vehicle tags, titles, and registrations).

Educational and Related Entities During the period November 1, 2016, through October 31, 2017, we also released IT operational audits of North East Florida Educational Consortium Educational Technology Services (NEFEC ETS), the University of South Florida Data Center, and the Lake County District School Board. These audits evaluated:

- ◆ Selected IT controls applicable to NEFEC ETS operations related to the support of consortium member school districts' Skyward school business suite software and student management suite software.
- ◆ Selected IT controls applicable to the University of South Florida Data Center operations related to Banner[®] by Ellucian Enterprise Resource Planning system hosting and services.
- ◆ Selected IT controls and operational processes at the Lake County District School Board applicable to the Skyward school business suite software and student management suite software.

We also 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 IT internal control deficiencies and departures from best practices, including inappropriate or unnecessary access privileges, inadequate review of assigned access privileges, inadequate IT risk assessment, the lack of a written security incident response plan, and the lack of a written IT disaster recovery plan. The audit findings were disclosed in the financial or operational audit reports of the respective school district, State university, or State college, and discussed with appropriate entity management. The specific details of the sensitive matters we noted were not disclosed in the audit reports to avoid the possibility of compromising entity data and IT resources. (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.)

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	38	12
Security Management	29	17
Business Process	20	4
Configuration Management	8	6
Application-Level General	7	4
Contingency Planning	4	2

Some of the frequent findings related to:

- ◆ Excessive access privileges granted to employees.
- ◆ Untimely removal of access privileges for employees.
- ◆ Lack of appropriate access authorization documentation for system users.
- ◆ Insufficient review of the appropriateness of access privileges.
- ◆ Inappropriate interactive log-on for service accounts.
- ◆ 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.

To avoid the possibility of compromising entity data and IT resources, we did not disclose in the audit report findings the specific details of certain sensitive matters we noted. The specific details of these matters 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, and protection of confidential and exempt information.

ANALYTICAL AND AUTOMATED PROCEDURES AND AUDIT APPLICATIONS

In addition to IT operational audits, extensive IT support is provided to the Auditor General'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 professional audit staff. CAATs services also include a variety of data queries and other data analyses that can identify unexpected or unexplained patterns that may be indicative of fraud. With the volume of data continuously growing, the use of CAATs allows increased audit coverage, more thorough and consistent analysis of data, and reduced audit risk. All this is accomplished 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 electronic audit working papers that document the 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 independent certified public accountants.

A listing of all IT operational audit reports released during the period November 1, 2016, through October 31, 2017, 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, 2016, through October 31, 2017, we issued reports on our operational audits as directed by the Legislative Auditing Committee; one report related to an operational audit of a water management district required pursuant to Section 11.45(2)(f), Florida Statutes; and one report disclosing the results of the follow-up procedures we performed pursuant to Section 11.45(2)(j), Florida Statutes, at one local governmental entity.

City of Palatka and Palatka Downtown Redevelopment Agency The findings disclosed in our operational audit report No. 2017-107 included:

- ◆ The City's procedures were not adequate to ensure that City infrastructure surtax proceeds were expended as authorized by State law.
- ◆ The City did not adhere to and document a competitive procurement process.
- ◆ The City had not established anti-fraud policies and procedures.
- ◆ Enhancements to Palatka Downtown Redevelopment Agency procedures for awarding and monitoring grants were needed to better ensure and demonstrate that grants are awarded to eligible recipients and that grant terms and conditions are appropriately met.

Citrus County Board of County Commissioners – Detention Center Management Services Contract and Selected Administrative Activities The findings disclosed in our operational audit report No. 2018-007 included:

- ◆ Documentation was not adequate to demonstrate that jail management services were obtained at the lowest cost consistent with desirable quality.
- ◆ The jail contract needed to be amended to provide for a purchase option price based on actual jail expansion construction costs adjusted for other relevant considerations.
- ◆ Billings exceeding contract limits for four contract years by a total of \$1,395,421, were made pursuant to a contract with the United States Virgin Islands for the incarceration of inmates.

Putnam County Board of County Commissioners, Clerk of the Circuit Court, and Sheriff's Office The findings disclosed in our operational audit report No. 2017-198 included:

- ◆ Putnam County Board of County Commissioners (Putnam BCC) documentation was not available to evidence the public purpose served for 19 culvert installations with expenditures totaling \$54,295 and 52 picture frame purchases totaling \$14,300.
- ◆ Putnam BCC budgetary controls needed enhancement to ensure that expenditures are limited to Putnam BCC-approved budgeted amounts as required by State law.
- ◆ Enhancements were needed for providing public meeting notices for Putnam BCC special meetings.

Walton County Board of County Commissioners, Clerk of the Circuit Court, and Use of Funds Related to the Deepwater Horizon Oil Spill The findings disclosed in our operational audit report No. 2017-123 included:

- ◆ The Walton County Board of County Commissioners' (Walton BCC's) needed to improve procedures related to the calculation, assessment, and collection of preservation fees.
- ◆ The Walton BCC and the Clerk of the Circuit Court (CCC) had not established policies and procedures for the proper safeguarding of securities submitted to ensure the satisfactory completion of infrastructure projects.
- ◆ The CCC had not developed and documented a cost allocation methodology to support the administrative costs charged for administering the tourist development tax.

Suwannee River Water Management District The findings disclosed in our operational audit report No. 2017-215 included:

- ◆ The District had not established procedures to ensure that the use of restricted resources is appropriately monitored and authorized.
- ◆ District financial reporting procedures need improvement to ensure that committed and other fund balance accounts are properly reported.
- ◆ District controls over the management and use of District-owned vehicles need strengthening.

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 an audit to determine the extent to which the **Sunshine Water Control District** (District) had corrected, or was in the process of correcting, the 11 findings included in our report No. 2014-199. Our follow-up procedures disclosed that the District's actions corrected 4 findings, partially corrected 3 findings, and did not correct 2 findings and that the District had no occasion to correct 2 findings (report No. 2017-102).

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 independent 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 a CPA and submit a copy of the audit report to the Auditor General. We review the audit reports 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 Department of Financial Services rules and Rules of the Auditor General. We report the results of our reviews to the Legislature.

Significant Findings and Financial Trends In conjunction with our review of audit reports, we compile and transmit to the Legislature summaries of significant findings and financial trends 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 State agencies' Offices of Inspectors General (OIGs) internal audit activities. We released one report on an OIG during the period November 1, 2016, through October 31, 2017. The report (report No. 2017-135) related to the Florida Housing Finance Corporation and the review period was January 2016 through December 2016.

During the review, we found that the quality assurance program related to the OIG's 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 OIG 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, Auditor General professional audit staff 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, 2016, through October 31, 2017, is included in **EXHIBIT B** of this Annual Report.

ANNUAL REPORT EXHIBITS

EXHIBIT A is our projected work plan for 2018-2019 and 2019-2020 and, as additional information, we have included three other exhibits to this Annual Report.

EXHIBIT A Projected Work Plan 2018-2019 and 2019-2020	EXHIBIT A represents our Projected 2-Year Work Plan for the 2018-2019 and 2019-2020 fiscal years based on our analyses as of November 30, 2017. 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.	Pages 40 - 43
EXHIBIT B Reports Released During the Period November 1, 2016, Through October 31, 2017	EXHIBIT B lists each report issued during the period November 1, 2016, through October 31, 2017. The report information is generally provided by entity type or by other activity.	Pages 44 - 50
EXHIBIT C Reports Released or Scheduled to Be Released Subsequent to October 31, 2017, and by March 31, 2018	EXHIBIT C provides information on audit activities completed or in progress subsequent to the October 31, 2017, cutoff date for this Annual Report. We post reports to our Web site www.FLAuditor.gov as the reports are issued.	Pages 51 - 53
EXHIBIT D Auditor General Contact Information	EXHIBIT D includes the names and telephone numbers of Auditor General management and each individual's areas of reporting responsibility. Contact information is also located in each audit report.	Page 54

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*
- *Florida School for the Deaf and the Blind*
- *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*
- *Agency for State Technology – State Data Center Operations – Information Technology Audit*
- *Citizens Property Insurance Corporation*
- *City of Gulf Breeze*
- *City of Palm Bay*
- *Commission on Offender Review*
- *County Value Adjustment Boards*
- *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 – Reemployment Assistance Claims and Benefits Information System – Information Technology Audit*
- *Department of Environmental Protection*
- *Department of Financial Services – Florida Accounting Information Resource (FLAIR) Subsystem – Information Technology Audit*
- *Department of Health*
- *Department of Legal Affairs*
- *Department of the Lottery*

EXHIBIT A

PROJECTED WORK PLAN 2018 – 2019

◆ Operational and Performance Audits (Continued):

- *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 State University Northwest Regional Data Center – Data Center Operations – Information Technology Audit*
- *Information Technology Audits of Selected State Agency and Educational Entity Major Systems*
- *Selected Local Governmental Entities*
- *Miami Dade College Foundation*
- *Northwest Florida Water Management District*
- *Office of Early Learning*
- *Office of Financial Regulation*
- *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 Significant Findings and Financial Trends*
- *Per Diem Cost Certifications upon the Request of the Department of Management Services or Department of Corrections*
- *Quality Assessment Reviews of Offices of Inspectors General Internal Audit Activities (13)*
- *Technical Advice and Rule and Guideline Maintenance*

EXHIBIT A

PROJECTED WORK PLAN 2019 – 2020

◆ **Financial Audits (Fiscal Year Ending 6-30-2019):**

- *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 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 State Technology – State Data Center Operations – Information Technology Audit*
- *Board of Governors*
- *Department of Children and Families*
- *Department of Children and Families – Florida Online Recipient Integrated Data Access (FLORIDA) System – Information Technology Audit*
- *Department of Citrus*
- *Department of Corrections*
- *Department of Economic Opportunity*
- *Department of Economic Opportunity – Reemployment Assistance Claims and Benefits Information System – Information Technology Audit*
- *Department of Education*
- *Department of Elder Affairs*
- *Department of Financial Services*
- *Department of Financial Services – Florida Accounting Information Resource (FLAIR) Subsystem – Information Technology Audit*
- *Department of Health*
- *Department of Highway Safety and Motor Vehicles*
- *Department of Juvenile Justice*
- *Department of Law Enforcement*

EXHIBIT A

PROJECTED WORK PLAN 2019 – 2020

◆ Operational and Performance Audits (Continued):

- *Department of Management Services – Division of Retirement Integrated Retirement Information System (IRIS) – Information Technology Audit*
- *Department of Military Affairs*
- *Department of State*
- *Department of Veterans' Affairs*
- *Executive Office of the Governor*
- *Florida Bright Futures Scholarship Program*
- *Florida School for the Deaf and the Blind*
- *Florida State University Northwest Regional Data Center – Cost Allocation Processes*
- *Florida State University Northwest Regional Data Center – Data Center Operations – Information Technology Audit*
- *Information Technology Audits of Selected State Agency and Educational Entity Major Systems*
- *Selected Local Governmental Entities*
- *Office of Insurance Regulation*
- *Scholarship Funding Organizations*
- *School Districts (21)*
- *State Colleges (8)*
- *State Universities (5)*
- *Triumph Gulf Coast, Inc.*

◆ Florida Education Finance Program Examinations (Fiscal Year Ending 6-30-2019):

- *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 Significant Findings and Financial Trends*
- *Per Diem Cost Certifications upon the Request of the Department of Management Services or Department of Corrections*
- *Quality Assessment Reviews of Offices of Inspectors General Internal Audit Activities (7)*
- *Technical Advice and Rule and Guideline Maintenance*

EXHIBIT B
Reports Released During the Period
November 1, 2016, Through October 31, 2017

Report Number	Audited Entity and Report Title	Report Release Date
State Government		
2017-093	Agency for Health Care Administration - Fraud and Abuse Case Tracking System - Information Technology Operational Audit	01/10/2017
2018-002	Agency for Health Care Administration - Statewide Medicaid Managed Care Program and Prior Audit Follow-Up - Operational Audit	07/11/2017
2017-204	Agency for Persons with Disabilities - Client Eligibility Determinations and Selected Administrative Activities - Operational Audit	05/26/2017
2017-208	Agency for State Technology - State Data Center Cost Allocation Processes - Operational Audit	06/08/2017
2017-087	Agency for State Technology - State Data Center Operations - Information Technology Operational Audit	01/05/2017
2017-205	Department of Children and Families - Oversight and Administration of State Mental Health Treatment Facilities - Operational Audit	06/01/2017
2018-013	Department of Children and Families - Substance Abuse and Mental Health Information System (SAMHIS) - Information Technology Operational Audit	08/11/2017
2017-039	Department of Economic Opportunity - Reemployment Assistance Claims and Benefits Information System - Information Technology Operational Audit	11/02/2016
2017-089	Department of Financial Services - Florida Accounting Information Resource (FLAIR) - Information Technology Operational Audit	01/06/2017
2018-025	Department of Financial Services - Florida Accounting Information Resource (FLAIR) Subsystem and Origami Risk Insurance Management System (Origami) - Information Technology Operational Audit	10/24/2017
2017-051	Department of Health - Acquired Immune Deficiency Syndrome Information Management System - Information Technology Operational Audit	11/22/2016
2017-203	Department of Health - Florida Women, Infants, and Children (WIC) Information System and Electronic Benefits Transfer Data System (FL-WiSE) - Information Technology Operational Audit	05/10/2017
2017-075	Department of Health - Prescription Drug Monitoring Program - Operational Audit	12/16/2016
2018-022	Department of Highway Safety and Motor Vehicles - Florida Real Time Vehicle Information System - Information Technology Operational Audit	10/09/2017
2017-088	Department of Highway Safety and Motor Vehicles - Commercial Driver's License Program and Prior Audit Follow-Up - Operational Audit	01/05/2017
2017-201	Department of Legal Affairs, Department of Veterans' Affairs, and Fish and Wildlife Conservation Commission - Mobile Device Security Controls - Information Technology Operational Audit	04/26/2017
2017-101	Department of Management Services - Integrated Retirement Information System (IRIS) - Information Technology Operational Audit	01/24/2017
2017-214	Department of Management Services and the Commission on Human Relations - Operational Audit	06/28/2017
2017-148	Department of Revenue - Taxpayer Refunds and Selected Administrative Activities - Operational Audit	03/13/2017
2017-195	Department of State - Division of Corporations, Museum of Florida History, and Selected Administrative Activities - Operational Audit	03/31/2017
2017-103	Department of the Lottery - Financial Audit	01/26/2017
2017-121	Department of Transportation - Aviation Grant Program and Prior Audit Follow-Up - Operational Audit	03/01/2017

EXHIBIT B
Reports Released During the Period
November 1, 2016, Through October 31, 2017

Report Number	Audited Entity and Report Title	Report Release Date
State Government – Continued		
2017-206	Department of Transportation - Federal Programs Management Subsystem - Information Technology Operational Audit	06/02/2017
2017-213	Executive Office of the Governor - Information Security Controls and Mobile Device Management - Operational Audit	06/27/2017
2017-047	Florida Housing Finance Corporation - Audit Performed Pursuant to Chapter 2013-83, Laws of Florida - Operational Audit	11/16/2016
2018-014	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, 2016, Measurement Date by Employer	08/31/2017
2017-073	Florida Retirement System Pension Plan and Other State - Administered Systems - Financial Audit	12/15/2016
2018-005	Florida State University Northwest Regional Data Center - Cost Allocation Processes - Operational Audit	07/25/2017
2018-003	Florida State University Northwest Regional Data Center - Data Center Operations - Information Technology Operational Audit	07/11/2017
2017-050	Office of Insurance Regulation - Insurer Rate Filing Review Process and Prior Audit Follow-Up - Operational Audit	11/18/2016
2017-097	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	01/19/2017
2017-099	State Board of Administration - Local Government Surplus Funds Trust Fund (Florida PRIME) (An External Investment Pool) - Financial Audit	01/19/2017
2017-199	State Board of Administration - Selected Financial Systems - Information Technology Operational Audit	04/05/2017
2017-180	State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards ^a	03/28/2017
2017-048	State University System - Board of Governors - Operational Audit	11/17/2016
2018-011	The Florida School for the Deaf and the Blind - Prior Audit Follow-Up and Selected Administrative Activities - Operational Audit	08/02/2017
School Districts		
2017-167	Baker County District School Board - Financial and Federal Single Audit	03/21/2017
2017-106	Bradford County District School Board - Financial and Federal Single Audit	02/01/2017
2017-192	Brevard County District School Board - Financial and Federal Single Audit	03/30/2017
2017-139	Brevard County District School Board - Operational Audit	03/09/2017
2017-171	Calhoun County District School Board - Financial and Federal Single Audit	03/22/2017
2017-115	Charlotte County District School Board - Financial and Federal Single Audit	02/21/2017
2017-083	Charlotte County District School Board - Operational Audit	12/19/2016
2017-118	Citrus County District School Board - Financial and Federal Single Audit	02/23/2017
2017-069	Clay County District School Board – Operational Audit	12/13/2016
2017-177	Columbia County District School Board - Financial and Federal Single Audit	03/24/2017

^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, 2016*.

EXHIBIT B

Reports Released During the Period
November 1, 2016, Through October 31, 2017

Report Number	Audited Entity and Report Title	Report Release Date
School Districts - Continued		
2017-142	Desoto County District School Board - Financial and Federal Single Audit	03/10/2017
2017-161	Dixie County District School Board - Financial and Federal Single Audit	03/20/2017
2017-119	Duval County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	02/28/2017
2017-145	Duval County District School Board - Operational Audit	03/10/2017
2017-185	Escambia County District School Board – Operational Audit	03/27/2017
2017-178	Flagler County District School Board - Financial and Federal Single Audit	03/24/2017
2017-100	Flagler County District School Board - Operational Audit	01/20/2017
2017-108	Franklin County District School Board - Financial and Federal Single Audit	02/07/2017
2017-189	Gadsden County District School Board - Financial and Federal Single Audit	03/29/2017
2017-147	Gadsden County District School Board – Operational Audit	03/10/2017
2017-158	Gilchrist County District School Board - Financial and Federal Single Audit	03/17/2017
2017-174	Glades County District School Board - Financial and Federal Single Audit	03/23/2017
2017-127	Gulf County District School Board - Financial and Federal Single Audit	03/03/2017
2017-105	Hamilton County District School Board - Financial and Federal Single Audit	01/31/2017
2017-173	Hardee County District School Board - Financial and Federal Single Audit	03/22/2017
2017-138	Hendry County District School Board - Financial and Federal Single Audit	03/09/2017
2017-187	Highlands County District School Board - Financial and Federal Single Audit	03/28/2017
2017-175	Holmes County District School Board - Financial and Federal Single Audit	03/23/2017
2017-067	Indian River County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/13/2016
2017-095	Indian River County District School Board - Operational Audit	01/12/2017
2017-133	Jackson County District School Board - Financial and Federal Single Audit	03/07/2017
2017-193	Jefferson County District School Board - Financial and Federal Single Audit	03/30/2017
2017-098	Lafayette County District School Board - Financial and Federal Single Audit	01/19/2017
2018-024	Lake County District School Board - Information Technology Operational Audit	10/12/2017
2017-166	Levy County District School Board - Financial and Federal Single Audit	03/21/2017
2017-153	Liberty County District School Board - Financial and Federal Single Audit	03/15/2017
2017-183	Madison County District School Board - Financial and Federal Single Audit	03/27/2017
2017-146	Madison County District School Board - Operational Audit	03/10/2017
2017-096	Manatee County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	01/13/2017
2017-092	Manatee County District School Board - Operational Audit	01/10/2017
2017-065	Martin County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/12/2016
2017-194	Miami-Dade County District School Board - Financial and Federal Single Audit	03/30/2017
2017-196	Miami-Dade County District School Board - Operational Audit	03/31/2017
2017-061	Monroe County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/08/2016
2017-131	Nassau County District School Board - Financial and Federal Single Audit	03/06/2017

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School Districts – Continued		
2017-179	Okeechobee County District School Board - Financial and Federal Single Audit	03/24/2017
2017-151	Orange County District School Board - Financial and Federal Single Audit	03/14/2017
2017-132	Orange County District School Board - Operational Audit	03/06/2017
2017-080	Osceola County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/16/2016
2017-070	Osceola County District School Board - Operational Audit	12/13/2016
2017-190	Palm Beach County District School Board - Financial and Federal Single Audit	03/29/2017
2017-149	Palm Beach County District School Board - Operational Audit	03/13/2017
2017-042	Palm Beach County District School Board - Transportation Services Department - Operational Audit	11/08/2016
2017-082	Pasco County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/19/2016
2017-091	Pasco County District School Board - Operational Audit	01/09/2017
2017-182	Putnam County District School Board - Financial and Federal Single Audit	03/24/2017
2017-163	Putnam County District School Board - Operational Audit	03/20/2017
2017-114	Santa Rosa County District School Board – Financial and Federal Single Audit	02/21/2017
2017-053	Santa Rosa County District School Board - Operational Audit	11/29/2016
2017-165	Sumter County District School Board - Financial and Federal Single Audit	03/21/2017
2017-144	Suwannee County District School Board - Financial and Federal Single Audit	03/10/2017
2017-152	Taylor County District School Board - Financial and Federal Single Audit	03/15/2017
2018-026	Taylor County District School Board - Operational Audit	10/26/2017
2017-150	Union County District School Board - Financial and Federal Single Audit	03/13/2017
2017-124	Wakulla County District School Board - Financial and Federal Single Audit	03/03/2017
2017-112	Walton County District School Board - Financial and Federal Single Audit	02/17/2017
2017-186	Washington County District School Board - Financial and Federal Single Audit	03/28/2017
2017-056	Washington County District School Board – Operational Audit	11/30/2016
Florida Education Finance Program		
2017-212	Bay County District School Board - Florida Education Finance Program - Attestation Examination	06/23/2017
2017-207	Bradford County District School Board - Florida Education Finance Program - Attestation Examination	06/07/2017
2018-019	Brevard County District School Board - Florida Education Finance Program - Attestation Examination	10/05/2017
2017-122	Calhoun County District School Board - Florida Education Finance Program - Attestation Examination	03/02/2017
2018-023	Charlotte County District School Board - Florida Education Finance Program - Attestation Examination	10/12/2017
2017-044	Citrus County District School Board - Florida Education Finance Program - Attestation Examination	11/09/2016
2017-188	Collier County District School Board - Florida Education Finance Program - Attestation Examination	03/28/2017
2018-021	Columbia County District School Board - Florida Education Finance Program - Attestation Examination	10/05/2017
2018-018	Dixie County District School Board - Florida Education Finance Program - Attestation Examination	10/05/2017
2017-210	Duval County District School Board - Florida Education Finance Program - Attestation Examination	06/15/2017
2017-055	Flagler County District School Board - Florida Education Finance Program - Attestation Examination	11/30/2016

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Report Number	Audited Entity and Report Title	Report Release Date
Florida Education Finance Program – Continued		
2018-008	Florida Virtual School - Florida Education Finance Program - Attestation Examination	07/27/2017
2017-202	Franklin County District School Board - Florida Education Finance Program - Attestation Examination	05/04/2017
2017-062	Gadsden County District School Board - Florida Education Finance Program - Attestation Examination	12/09/2016
2018-001	Gilchrist County District School Board - Florida Education Finance Program - Attestation Examination	07/10/2017
2018-017	Hendry County District School Board - Florida Education Finance Program - Attestation Examination	10/05/2017
2017-060	Highlands County District School Board - Florida Education Finance Program - Attestation Examination	12/07/2016
2017-040	Hillsborough County District School Board - Florida Education Finance Program - Attestation Examination	11/07/2016
2017-085	Indian River County District School Board - Florida Education Finance Program - Attestation Examination	12/21/2016
2017-076	Jefferson County District School Board - Florida Education Finance Program - Attestation Examination	12/16/2016
2017-052	Lee County District School Board - Florida Education Finance Program - Attestation Examination	11/29/2016
2017-043	Levy County District School Board - Florida Education Finance Program - Attestation Examination	11/09/2016
2017-063	Madison County District School Board - Florida Education Finance Program - Attestation Examination	12/09/2016
2017-084	Manatee County District School Board - Florida Education Finance Program - Attestation Examination	12/21/2016
2017-066	Martin County District School Board - Florida Education Finance Program - Attestation Examination	12/12/2016
2017-041	Monroe County District School Board - Florida Education Finance Program - Attestation Examination	11/08/2016
2018-020	Okaloosa County District School Board - Florida Education Finance Program - Attestation Examination	10/05/2017
2018-010	Palm Beach County District School Board - Florida Education Finance Program - Attestation Examination	08/01/2017
2018-009	Pinellas County District School Board - Florida Education Finance Program - Attestation Examination	08/01/2017
2017-200	Polk County District School Board - Florida Education Finance Program - Attestation Examination	04/26/2017
2018-012	Putnam County District School Board - Florida Education Finance Program - Attestation Examination	08/03/2017
2017-054	St. Lucie County District School Board - Florida Education Finance Program - Attestation Examination	11/30/2016
2017-045	Sumter County District School Board - Florida Education Finance Program - Attestation Examination	11/09/2016
2017-049	Volusia County District School Board - Florida Education Finance Program - Attestation Examination	11/17/2016
2017-079	Wakulla County District School Board - Florida Education Finance Program - Attestation Examination	12/16/2016
State Universities		
2017-136	Florida Agricultural and Mechanical University - Financial Audit	03/08/2017
2017-197	Florida Agricultural and Mechanical University - Operational Audit	03/31/2017
2017-140	Florida Atlantic University - Financial Audit	03/09/2017
2017-157	Florida Gulf Coast University - Financial Audit	03/16/2017
2017-064	Florida Gulf Coast University - Operational Audit	12/09/2016
2017-181	Florida International University - Financial Audit	03/24/2017
2017-074	Florida Polytechnic University - Financial Audit	12/15/2016

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Report Number	Audited Entity and Report Title	Report Release Date
State Universities – Continued		
2017-134	Florida State University - Financial Audit	03/07/2017
2017-086	Florida State University - Operational Audit	01/03/2017
2017-130	New College of Florida - Financial Audit	03/03/2017
2018-016	New College of Florida - Operational Audit	09/28/2017
2017-110	University of Central Florida - Financial Audit	02/08/2017
2017-057	University of Central Florida - Operational Audit	12/01/2016
2017-141	University of Florida - Financial Audit	03/09/2017
2017-168	University of North Florida - Financial Audit	03/21/2017
2017-077	University of South Florida - Financial Audit	12/16/2016
2017-211	University of South Florida - Banner® Enterprise Resource Planning (ERP) System Hosting Operations - Information Technology Operational Audit	06/22/2017
2017-120	University of West Florida - Financial Audit	03/01/2017
2017-081	University of West Florida - Operational Audit	12/16/2016
State Colleges		
2017-126	Broward College - Financial Audit	03/03/2017
2017-059	Chipola College - Financial Audit	12/06/2016
2017-176	College of Central Florida - Financial Audit	03/24/2017
2017-046	College of Central Florida - Operational Audit	11/16/2016
2017-116	Daytona State College - Financial Audit	02/21/2017
2017-143	Eastern Florida State College - Financial Audit	03/10/2017
2017-117	Florida Gateway College - Financial Audit	02/23/2017
2017-184	Florida Keys Community College - Financial Audit	03/27/2017
2017-128	Florida SouthWestern State College - Financial Audit	03/03/2017
2017-058	Florida SouthWestern State College - Operational Audit	12/01/2016
2017-156	Florida State College at Jacksonville - Financial Audit	03/16/2017
2017-109	Gulf Coast State College - Financial Audit	02/08/2017
2017-137	Hillsborough Community College - Financial Audit	03/08/2017
2017-172	Indian River State College - Financial Audit	03/22/2017
2017-113	Lake-Sumter State College - Financial Audit	02/20/2017
2017-191	Miami Dade College - Financial Audit	03/29/2017
2017-170	North Florida Community College - Financial Audit	03/22/2017
2017-111	Northwest Florida State College - Financial Audit	02/08/2017
2017-164	Palm Beach State College - Financial Audit	03/20/2017
2017-072	Palm Beach State College - Operational Audit	12/14/2016
2017-129	Pasco-Hernando State College - Financial Audit	03/03/2017
2017-068	Pensacola State College - Financial Audit	12/13/2016
2017-155	Polk State College - Financial Audit	03/16/2017
2017-071	Polk State College - Operational Audit	12/13/2016
2017-162	Santa Fe College - Financial Audit	03/20/2017

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**Reports Released During the Period
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Report Number	Audited Entity and Report Title	Report Release Date
State Colleges - Continued		
2017-094	Seminole State College of Florida - Financial Audit	01/11/2017
2017-125	South Florida State College - Financial Audit	03/03/2017
2017-159	St. Johns River State College - Financial Audit	03/17/2017
2017-104	St. Petersburg College - Financial Audit	01/27/2017
2017-154	State College of Florida, Manatee-Sarasota - Financial Audit	03/16/2017
2017-169	Tallahassee Community College - Financial Audit	03/22/2017
2017-160	Valencia College - Financial Audit	03/20/2017
Other Educational Entities and Programs		
2017-209	North East Florida Educational Consortium - Educational Technology Services - Information Technology Operational Audit	06/09/2017
Other Audits and Accountability Activities		
2018-007	Citrus County Board of County Commissioners - Detention Center Management Services Contract and Selected Administrative Activities - Operational Audit	07/26/2017
2017-107	City of Palatka and Palatka Downtown Redevelopment Agency - Operational Audit	02/01/2017
2017-198	Putnam County Board of County Commissioners, Clerk of the Circuit Court, and Sheriff's Office - Operational Audit	04/03/2017
2017-090	Report on Significant Financial Trends and Findings in Local Governmental Entity 2014-15 Fiscal Year Audit Reports and Annual Financial Reports	01/09/2017
2018-004	Review of District School Board, Charter School, and Charter Technical Career Center Audit Reports for the Fiscal Year Ended June 30, 2016 - Pursuant to Section 11.45(7)(b), Florida Statutes	07/25/2017
2017-078	Review of Local Governmental Entity 2014-15 Fiscal Year Audit Reports - Pursuant to Section 11.45(7)(b), Florida Statutes	12/16/2016
2018-015	Review of Nonprofit, For-Profit, and Other Entities Financial Reporting Packages for Fiscal Years Ended October 1, 2015, through September 30, 2016 - Pursuant to Section 215.97(12)(f), Florida Statutes	09/07/2017
2018-006	Summary of Significant Findings and Financial Trends Identified in Charter School and Charter Technical Career Center Audit Reports for the Fiscal Year Ended June 30, 2016 - Pursuant to Section 11.45(7)(f), Florida Statutes	07/25/2017
2017-102	Sunshine Water Control District Prior Audit Follow-Up - Operational Audit	01/25/2017
2017-215	Suwannee River Water Management District - Operational Audit	06/30/2017
2017-123	Walton County Board of County Commissioners, Clerk of the Circuit Court, and Use of Funds Related to the Deepwater Horizon Oil Spill - Operational Audit	03/02/2017
2017-135	Florida Housing Finance Corporation - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	03/07/2017

EXHIBIT C

**Reports Released or Scheduled to Be Released Subsequent to
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State Government

Audit Entity	Scope/Areas of Operations
Agency for Health Care Administration	Collection and Use of Medicaid Managed Care Encounter Data, Medicaid Provider Eligibility, and Selected Administrative Activities
Agency for Persons with Disabilities	Office of Inspector General's Internal Audit Activity
Agency for State Technology	State Data Center Operations – Information Technology Office of Inspector General's Internal Audit Activity
Department of Agriculture and Consumer Services	Administration of Private Investigator, Security Officer, Recovery Agent, and Concealed Weapon Licenses and Prior Audit Follow-Up
Department of Business and Professional Regulation	Division of Pari-Mutuel Wagering and Selected Administrative Activities
Department of Children and Families	Oversight and Administration of Community-Based Care Lead Agencies and Behavioral Health Managing Entities and Selected Administrative Activities
Department of Citrus	Office of Inspector General's Internal Audit Activity
Department of Corrections	Administration of Re-Entry Programs Offender Based Information System – Information Technology
Department of Economic Opportunity	Office of Inspector General's Internal Audit Activity
Department of Economic Opportunity and Enterprise Florida, Inc.	State Economic Incentive Programs and Selected Administrative Activities
Department of Education	Selected Administrative Activities and Information Technology Controls Federal Family Education Loan Program System – Information Technology Office of Inspector General's Internal Audit Activity
Department of Environmental Protection	Land Acquisitions and Divestitures
Department of Financial Services	Division of State Fire Marshal and Division of Risk Management – State Employees Workers' Compensation Office of Inspector General's Internal Audit Activity
Department of Health	Children's Medical Services Network, Early Steps, and Newborn Screening Licensing and Enforcement Information Database System – Information Technology Office of Inspector General's Internal Audit Activity
Department of Highway Safety and Motor Vehicles	Office of Inspector General's Internal Audit Activity
Department of Juvenile Justice	Residential Services and Selected Administrative Activities Office of Inspector General's Internal Audit Activity
Department of Law Enforcement	Office of Inspector General's Internal Audit Activity
Department of the Lottery	Financial Statements
Department of Management Services	Florida Retirement System – Financial Statements Florida Retirement System – Schedules of Employer Allocations and Schedules of Pension Amounts and Certain Activities Through September 30, 2017 Integrated Retirement Information System (IRIS) – Information Technology

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State Government - Continued

Audit Entity	Scope/Areas of Operations
Department of Military Affairs	Administration of Selected Activities and Prior Audit Follow-Up Office of Inspector General's Internal Audit Activity
Department of Revenue	Office of Inspector General's Internal Audit Activity
Department of Veterans' Affairs	Procurement, Veterans' Services Billing, and Prior Audit Follow-Up Office of Inspector General's Internal Audit Activity
Fish and Wildlife Conservation Commission	Property Management and Prior Audit Follow-Up
Florida School for the Deaf and the Blind	Financial Statements
Public Service Commission	Office of Inspector General's Internal Audit Activity
State Board of Administration	Local Government Surplus Funds Trust Fund – Financial Statements Florida Prepaid College Board and Selected Administrative Activities
State of Florida	Financial Statements and Federal Awards

Educational Entities

Audit Entity	Scope/Areas of Operations
Florida Education Finance Program - Selected District School Boards and Other Entities (11)	Compliance with Reporting Requirements
Florida Bright Futures Scholarship Program	Selected Areas of Operation
School Districts (70)	Financial, Federal Awards, Selected Areas of Operations, and Information Technology
State Colleges (42)	Financial, Selected Areas of Operations, and Information Technology
State Universities (16)	Financial, Selected Areas of Operations, and Information Technology

Other

Audit Entity	Scope/Areas of Operations
AAA Scholarship Foundation – FL, LLC	Selected Areas of Operation
City of North Miami	Selected Areas of Operation
City of Opa-locka	Selected Areas of Operation
City of Starke	Follow-Up on Report No. 2015-009
Florida Clerks of Court Operations Corporation	Selected Areas of Operation
Hillsborough County Aviation Authority	Selected Areas of Operation
Judicial-Related Agencies	Selected Areas of Operation
Local Government Financial Reporting System	Selected Areas of Operation
Local Governmental Entity Audit Reports	Results of Review of 2015-16 Fiscal Year Audit Reports - Pursuant to Section 11.45(7)(b), Florida Statutes
Local Governmental Entity Audit Reports and Annual Financial Reports	Significant Findings and Financial Trends Identified in 2015-16 Fiscal Year Audit Reports and Annual Financial Reports Reviewed
South Florida Water Management District	Selected Areas of Operation

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**Reports Released or Scheduled to Be Released Subsequent to
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Other - Continued

Audit Entity	Scope/Areas of Operations
Southwest Florida Water Management District	Selected Areas of Operation
St. Johns River Water Management District	Selected Areas of Operation
Step Up for Students, Inc.	Selected Areas of Operation

EXHIBIT D

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