



ANNUAL REPORT

2019

November 1, 2018, Through October 31, 2019

LEGISLATIVE AUDITING COMMITTEE

2018 – 2020



Alternating Chair
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Senator Dennis Baxley

Senator Tom Lee

Senator Bill Montford

Senator Kevin Rader



Alternating Chair
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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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November 26, 2019

The Honorable Bill Galvano
President of the Senate
409 The Capitol
Tallahassee, Florida 32399-1100

The Honorable Jose Oliva
Speaker of the House of Representatives
420 The Capitol
Tallahassee, Florida 32399-1300

Dear President Galvano and Speaker Oliva:

It is my privilege to provide the Auditor General's Annual Report for the period November 1, 2018, through October 31, 2019. 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 2020-21 and 2021-22 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 highlights the audit and other accountability activities we performed during the 12-month period November 1, 2018, through October 31, 2019. These audits and 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 220 reports, including reports related to operational, financial, and Federal awards audits, and attestation examination engagements of State and local governmental entities.

Pursuant to *Government Auditing Standards*, every 3 years our Office undergoes an independent external peer review of our Office's system of quality control. Last month, a team from the National State Auditors Association (NSAA) conducted such a review covering our reports issued during the period September 1, 2018, through August 31, 2019. I am pleased to inform you that our Office received a rating of "pass," which is the highest rating an audit organization can receive from an NSAA peer review team. A copy of the peer review team's report is included in this Annual Report and is also available for viewing on our Web site, FLAuditor.gov.

This year we commemorated our 50th year of auditing excellence for the benefit of Floridians and we will continue to work diligently to provide unbiased, timely, and relevant information the Legislature, Florida's citizens, public entity management, and other stakeholders can use to promote government accountability and stewardship and improve government operations. I am proud of what our staff have accomplished this past year and we greatly appreciate the Legislature's continued 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,

A handwritten signature in blue ink that reads "Sherrill F. Norman".

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.

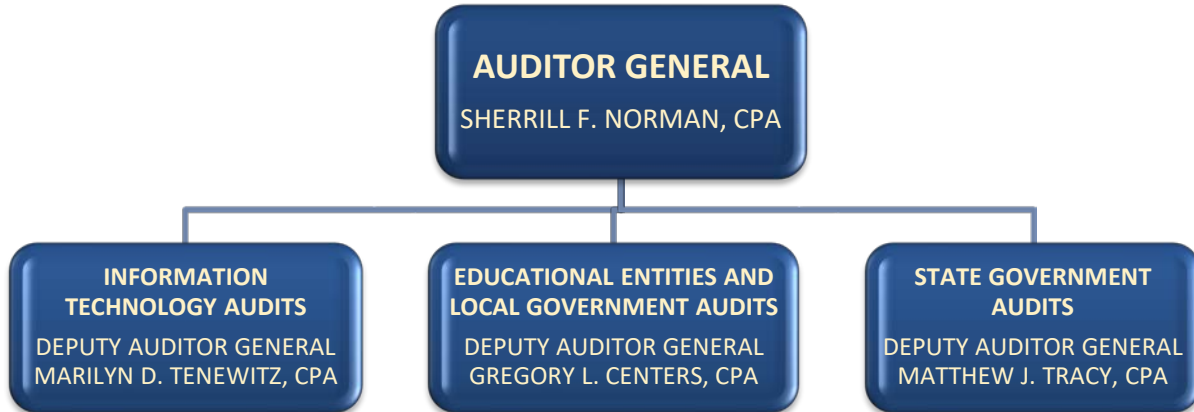
Our Mission

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 regarding 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 or promptly detected and resolved.

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 in **EXHIBIT E** 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 school districts, State colleges, State universities, and State agencies headquartered outside Tallahassee, as well as our audits of local governmental entities.



Photo by Sabrina Ballew



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, 2019, our audit professionals included:

- ◆ 159 Certified Public Accountants.
- ◆ 18 Certified Information Systems Auditors.
- ◆ 16 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, 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 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 auditor's independence is impaired. Our independence and other 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 2019, a team from the National State Auditors Association (NSAA) conducted such a review that covered engagements with reports issued during the period September 1, 2018, through August 31, 2019. Our Office received a rating of “pass,” which is the highest rating an audit organization can receive from an NSAA peer review team. This rating means that the Auditor General’s system of quality control provided reasonable assurance that our Office’s work conformed to *Government Auditing Standards* and is evidence of the quality and professionalism of our staff. The peer review team’s report is included as **EXHIBIT D** of this Annual Report and is also available on our Web site. Our next external peer review will be conducted in the fall of 2022.

Our Strategic Goals and Objectives

In recognition of our statutory duties and mission, 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 audit or attestation engagements 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-matter experts, but we also recognize the importance of fostering the speaking and presentation skills of our own staff. Accordingly, we give our staff 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 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 issued during the period November 1, 2018, through October 31, 2019, is included in this report as ***EXHIBIT B***. An overview of our audits and other accountability activities completed during that period begins on page 13 of this Annual Report. Copies of audit and other reports are available on our Web site, www.FLAuditor.gov, and are distributed as appropriate and upon request to:

- ◆ Legislative members and staff.
- ◆ Governing boards, officials, 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 were either 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 E** of this report.

Policy Areas: Senate Education House Education

- ◆ **Charter Schools** – The Legislature should consider amending Section 1002.33, Florida Statutes, to require school districts to monitor the eligibility of charter school classroom teachers for the Florida Best and Brightest Teacher Scholarship Program. The Legislature should also consider amending Section 1013.62, Florida Statutes, to require school districts to monitor charter school use of capital outlay funding.

Audit Manager: Micah E. Rodgers, CPA

- ◆ **Charter Schools** – Section 1002.33(9)(o)2., Florida Statutes, requires that an independent audit be completed for charter schools within 30 days after notice of nonrenewal, closure, or termination to account for all funds and assets. Because of the varying complexity of audits, that time frame may not be a reasonable period to complete such audits. Accordingly, the Legislature should consider revising Section 1002.33(9)(o)2., Florida Statutes, to provide that an independent audit shall be “engaged” within 30 days after notice of nonrenewal, closure, or termination to account for all funds and assets.

Audit Manager: Micah E. Rodgers, CPA

- ◆ **The Florida Best and Brightest Teacher Scholarship Program** – The Legislature should consider charging administration of the Florida Best and Brightest Teacher Scholarship program to the Department of Education. Doing so would establish the Department as the entity responsible for providing guidance sufficient to enable the school districts and charter schools to consistently apply Section 1012.731, Florida Statutes.

Audit Manager: Micah E. Rodgers, CPA

- ◆ **Transparency Requirements** – The Legislature should consider amending applicable statutory requirements to define the “transparency requirements” for charter schools, charter technical career centers, Florida College System institutions, and State universities or delete from Section 11.45(7)(i), Florida Statutes, the requirement for the Auditor General to list the charter schools, charter technical career centers, Florida College System institutions, and State universities that have failed to comply with the transparency requirements.

**Audit Manager: Micah E. Rodgers, CPA
Jaime N. Hoelscher, CPA**

- ◆ **Scholarship Funding Organizations** – The Legislature should consider amending Sections 11.45(2)(l), 1002.385(14)(a), and 1002.40(12), Florida Statutes, to require the Auditor General to conduct operational audits at least once every 3 years of the accounts and records of eligible nonprofit scholarship-funding organizations.

Audit Manager: Michael J. Gomez, CPA

Policy Areas: Senate Community Affairs House State Affairs

- ◆ **Special Districts** – Notwithstanding that Community Redevelopment Agencies (CRAs) are special districts that are covered by Section 218.39, Florida Statutes, because of their unique nature and specific audit requirements of Section 163.387(8)(a), Florida Statutes, the Legislature should consider amending:
 - Section 218.39(1), Florida Statutes, to expressly include a CRA meeting the criteria in Section 163.387(8)(a), Florida Statutes, as an entity required to have an annual financial audit.
 - Section 218.39(1)(c), Florida Statutes, to include CRAs meeting the criteria in Section 163.387(8)(a), Florida Statutes.
 - Section 218.39(3)(a), Florida Statutes, to exclude CRAs meeting the criteria in Section 163.387(8)(a), Florida Statutes.

Audit Manager: Michael J. Gomez, CPA

- ◆ **Local Governments** – The Legislature should consider:
 - Enacting 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.
 - Amending Section 218.391, Florida Statutes, to require local governments to perform auditor selection procedures at specified intervals. Also, amend Section 218.391, Florida Statutes, to require the local government audit committee to be advised by at least one person who has an understanding of generally accepted accounting principles and government auditing.

Amendments to Section 281.391 should also be considered to require local governmental entities to establish ordinances, resolutions, or policies and procedures to define audit committee responsibilities.

- Revising the definition of “governmental unit” in Chapter 274, Florida Statutes, regarding tangible personal property owned by local governments, to include all “local governmental entities” as that term is defined in Section 218.31, Florida Statutes.
- Amending Section 403.7125, Florida Statutes, to require that audits of local government escrow accounts, maintained to accumulate financial resources for the proper closing and long-term care of landfills, are properly and consistently conducted in accordance with legislative intent.
- Amending Section 29.0085, Florida Statutes, to require that statutorily required annual statements of county compliance for court-related functions are properly and consistently prepared in accordance with legislative intent.
- Amending Section 218.31, Florida Statutes, to include a definition of the term “financial statements” as used in Section 218.32(1)(h)4., Florida Statutes.

Audit Report Numbers: 2015-037 and 2019-028

Audit Manager: Michael J. Gomez, CPA

- ◆ **Transparency Requirements** – The Legislature should consider amending Section 218.39, Florida Statutes, to define “transparency requirements” for local governmental entities or delete from Section 11.45(7)(i), Florida Statutes, the requirement for the Auditor General to list the local governmental entities that have failed to comply with transparency requirements.

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 employ, or otherwise provide for, an internal auditor with the qualifications and duties prescribed in Section 20.055, Florida Statutes, for State agency directors of auditing.

Audit Report Numbers: 2015-061 and 2020-008

Audit Manager: Michael J. Gomez, CPA

Policy Areas: Senate Governmental Oversight and Accountability House State Affairs

- ◆ **Audit Efficiency and Effectiveness** – Sections 11.47(3) and (4), Florida Statutes, are critical to ensuring the capability of the Auditor General to successfully complete audits. Section 11.47(3), Florida Statutes, was recently revised to provide that any person that willfully fails or refuses to provide the Auditor General access to an employee, officer, or agent of an entity subject to an audit commits a misdemeanor. Section 11.47(4), Florida Statutes, provides that any officer who willfully fails or refuses to furnish or produce any book, record, paper, document, data, or sufficient information necessary to a proper audit or examination which the Auditor General or the Office of Program Policy Analysis and Government Accountability is by law authorized to perform, shall be subject to removal from office. The Legislature should consider amending Section 11.47(4), Florida Statutes, to:
 - Provide that any person who willfully fails or refuses to provide the Auditor General access to an employee, officer, or agent of an entity subject to an audit shall be subject to removal from office.
 - Designate the specific party, or parties, responsible for removing an officer or person from office for the reasons stated therein.

**Deputy Auditor Generals: Gregory L. Centers, CPA
Matthew J. Tracy, CPA
Marilyn D. Tenewitz, 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 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 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 audit 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 also may include audit procedures to evaluate an entity's compliance with requirements that could have a direct and material effect on each major Federal awards program administered by the entity 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as audit requirements prescribed by applicable professional standards issued by the AICPA and the Comptroller General of the United States in *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 areas and are conducted in accordance with applicable *Government Auditing Standards*. The areas included within the scope of operational audits are determined through risk assessment processes that include, among other procedures, inquiries of legislative staff concerning items 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 examinations of school district and other entity compliance with State requirements relating to the classification, assignment, and verification of the full-time equivalent student enrollment and student transportation reported under the Florida Education Finance Program 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 we perform. 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 (Florida PRIME), 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 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 a 3-year cycle.

2019-20 Work Plan

Our 2019-20 Work Plan encompassed a wide variety of programs, activities, and functions administered by many entities. Some of the unique projects on our 2019-20 Work Plan include operational audits of selected operations of the City of Gainesville, the Commission on Offender Review's caseload management, and county value adjustment boards and Department of Revenue oversight thereof.

An overview of our audits and other accountability activities completed during the period November 1, 2018, through October 31, 2019, begins on page 13 of this Annual Report. A listing of all reports issued during the period November 1, 2018, through October 31, 2019, is included in this report as **EXHIBIT B**. Additionally, a listing of reports issued or scheduled to be issued subsequent to October 31, 2019, and by March 31, 2020, 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 2020-21 and 2021-22 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	\$608.9 billion
Total revenues upon which financial statement opinions were rendered	\$214.6 billion
Total Federal awards expenditures for major programs audited	\$25.1 billion
Total number of major Federal programs audited	21
Number of audit reports issued	
Attestation	1
Financial	5
Financial and Federal Awards	1
Performance	1
Operational ^a	<u>23</u>
Total number of audit reports issued	<u>31</u>
Number of audit findings	200
Number of findings identifying potential opportunities for cost recovery, savings, or loss avoidance	35
Total amount identified for cost recovery, savings, or loss avoidance	\$6.5 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, 2018, 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, 2018*.

Our report on the audit of the State's financial statements included two findings involving internal control over financial reporting that constituted significant deficiencies¹ at two State agencies. One significant deficiency related to improperly recording withdrawals from the State Treasury Investment Pool. The other significant deficiency related to not recording a prior-period adjustment for the correction of an error in previously issued financial statements and not recording a liability. We also noted an additional matter that we reported to management at one State agency pertaining to understating net receivables and unavailable revenue due to an error in the preparation of year-end accrual entries. 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. 2019-186).

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 Local Government Surplus Funds Trust Fund (Florida PRIME), the Department of the Lottery (Lottery), and the Florida School for the Deaf and the Blind. In all four audits, we found that the respective financial statements were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

For the Lottery, as required by Section 24.123, Florida Statutes, we also examined internal control over financial reporting as of June 30, 2018, 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, 2018, based on the established criteria. However, we also noted in our report (report No. 2019-090) two findings involving the need for enhancements to certain Lottery information technology (IT) internal control practices and the need for the Lottery to continue efforts to comply with 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 Pension Plan 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, 2018, and the related notes. Our audit found that the schedules presented fairly, in all material respects, the employer allocations and the net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense/(income) for the total of all participating entities for the System Pension Plans as of and for the fiscal year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America (report No. 2019-102).

We also conducted an attestation examination of the System Pension Plans schedules of deferred outflows for contributions subsequent to the June 30, 2018, measurement date by employer, as of and for the fiscal year ended June 30, 2019. This examination found that the schedules presented, in all material respects, the deferred outflows for contributions subsequent to the June 30, 2018, measurement date by employer in accordance with applicable GASB statements and applicable provisions of State law (report No. 2020-019).

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

Federal Awards The Single Audit of the State of Florida includes State agencies, State universities, State colleges, judicial branch entities, and various other government entities for which the State is financially accountable. State agencies, State universities, and State colleges administered approximately 532 Federal awards programs or program clusters during the 2017-18 fiscal year. The Federal Single Audit Act directs the auditor to 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, 2018, are described in our report No. 2019-186.

We audited the State's compliance with requirements governing the 21 Federal awards programs or program clusters that we identified as major Federal awards programs for the fiscal year ended June 30, 2018. Expenditures for these major programs comprised approximately 67 percent of the \$37.2 billion in total Federal awards expenditures reported by the State for the fiscal year ended June 30, 2018. Our Federal awards audit findings are tabulated by audit area in Table 1 and briefly summarized in the following paragraphs.

Table 1
Tabulation of State of Florida
Federal Awards Audit Findings by Audit Area

Audit Area	Number of	
	Findings	State Entities
Cash Management	1	1
Child Support Enforcement Administration	1	1
Eligibility and Claims Payments	1	1
Expenditures and Supporting Documentation	1	1
Information Technology Internal Controls	9	8
Medicaid Program Administration	4	2
Noncompliance with Statutory Requirements	4	3
Subawards and Monitoring	5	3
Unemployment Benefits and Tax Administration	5	2

We found that the State agencies materially complied with requirements governing major Federal awards programs, except with respect to compliance with certain requirements for 11 programs administered by 5 State agencies, as subsequently described:

- ◆ For National Guard Military Operations and Maintenance Projects, the Department of Military Affairs could not demonstrate compliance with certain Federal procurement and suspension and debarment requirements. These instances of noncompliance resulted in an opinion qualification.
- ◆ For Unemployment Insurance, the Department of Economic Opportunity did not always maintain adequate benefit eligibility and case investigation records. These instances of noncompliance resulted in opinion qualifications. Additionally, for Unemployment Insurance, we were unable to express, and did not express, an opinion on the Department of Economic Opportunity's compliance with reporting and benefits overpayments requirements because the Department could not provide accurate data or demonstrate that reported overpayment amounts on Federal Financial Reports were accurate.

- ◆ For the Federal Family Education Loans Program, we were unable to express, and did not express, an opinion on the Department of Education’s compliance with certain requirements because the Department did not provide documentation demonstrating compliance with requirements for the assignment of defaulted loans and the correct handling of loans that were sold.
- ◆ Department of Children and Families expenditures charged to the following Federal programs were not always incurred during the authorized period of performance, which resulted in an opinion qualification.
 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
 - Temporary Assistance for Needy Families
 - Refugee and Entrant Assistance/Replacement Designee Administered Programs
 - Social Services Block Grant
 - Medical Assistance Program
 - Block Grants for Community Mental Health Services
 - Block Grants for Prevention and Treatment of Substance Abuse
- ◆ For the Temporary Assistance for Needy Families Cluster, the Department of Children and Families did not always review and process Income Eligibility and Verification System data exchange responses, which resulted in an opinion qualification.
- ◆ For Disaster Grants – Public Assistance (Presidentially Declared Disasters), the Division of Emergency Management did not always maintain documentation to support costs charged to the Disaster Grants program, did not verify that all applicable subrecipients were audited, did not evaluate subrecipient risk of noncompliance or develop an appropriate monitoring plan, and did not obtain required reports from some subrecipients. These instances of noncompliance resulted in opinion qualifications.

We also reported material weaknesses in internal control over compliance² for each of these 11 programs as well as an additional material weakness for National Guard Military Operations and Maintenance Projects, as Department of Military Affairs records did not evidence that access to the Integrated Emergency Operations Management System was granted only to authorized users or that the access privileges granted were appropriate.

Other instances of noncompliance, deficiencies in internal control over compliance,³ or questioned costs were found at 11 State agencies and 1 State university. 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.

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

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

Operational Audits During the period November 1, 2018, through October 31, 2019, we issued 23 operational audit reports and 1 performance audit report on State governmental entities. Our reports addressed a broad array of programs, activities, and functions including:

- ◆ Internal management, financial, and operational controls and processes.
- ◆ Administration of private investigator, security officer, recovery agent, and concealed weapon licenses by the Department of Agriculture and Consumer Services.
- ◆ The Department of Legal Affairs Medicaid Fraud Control Unit and selected administrative activities.
- ◆ Oversight and administration of foster care programs and related services by the Department of Children and Families and selected Community-Based Care Lead Agencies and the oversight and administration of substance abuse and mental health services by the Department and selected Behavioral Health Managing Entities.
- ◆ Administration of Triumph Gulf Coast, Inc. project and program awards and selected administrative activities.
- ◆ Community supervision by and selected administrative activities of the Department of Corrections.
- ◆ Advertising and sponsorship by the Department of the Lottery and selected administrative activities.
- ◆ Administration of iBudget Florida by the Agency for Persons with Disabilities.
- ◆ Public Assistance Program management by the Division of Emergency Management.
- ◆ The Right-of-Way Relocation Assistance Program administered by the Department of Transportation.

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	20	29
Construction and Related Activities	1	1
Contractual Services	6	4
Eligibility and Financial Assistance Payments	2	2
Expenditures and Disbursements	4	12
Financial Management and Record Keeping	9	7
Florida Single Audit Act	2	2
General Oversight or Governance	6	13
Information Technology Resources	28	34
Licensing and Related Activities	7	1
Personnel and Payroll	13	16
Policies for Communicating and Reporting Known or Suspected Fraud	2	11
Program Administration, Oversight, and Monitoring	29	22
Purchasing Practices	6	8
Regulatory Oversight and Monitoring	12	7
Revenue and Cash Collections	10	4
Risk Management	2	2
Safeguarding of Evidence	1	1
Safeguarding of Social Security Numbers	3	3
Service Organization Report	1	3

The results of several of our operational audits issued during the period November 1, 2018, through October 31, 2019, are summarized below.

- ◆ **Department of Agriculture and Consumer Services – Administration of Private Investigator, Security Officer, Recovery Agent, and Concealed Weapon Licenses and Prior Audit Follow-Up (Report No. 2019-064).** Our operational audit of the Department of Agriculture and Consumer Services (DACS) focused on the administration of private investigator, security officer, recovery agent, and concealed weapon licenses. Our audit disclosed that DACS controls for processing concealed weapon license applications and overseeing the licensing process were not always adequate or effectively implemented. Additionally, data publicly reported by the DACS was not always complete or accurate and applicants for various licenses were not always timely notified of application errors and omissions. Also, the DACS had not established time frames for completing investigations of complaints related to individuals advertising as providing private security and investigative services or recovery activities. Similarly, the DACS had not established time frames for reviewing disqualifying information for persons currently holding licenses. Our audit also found that DACS controls for quality assurance reviews, timely deposit of license fees and reimbursement of overpayments, and employee background screenings needed improvement. We also noted that various DACS information technology controls, timber sale proceed transfer controls, and selected inspection program controls needed enhancement.

- ◆ **Department of Legal Affairs – Medicaid Fraud Control Unit, Selected Administrative Activities, and Prior Audit Follow-Up (Report No. 2019-097).** The Department of Legal Affairs (DLA) is responsible for operating the State’s Medicaid Fraud Control Unit (MFCU), as well as administering programs to assist victims of crime. Our audit found that the DLA did not always properly conduct or document annual MFCU evidence room inventories in accordance with established policies and procedures. We also found that DLA change management controls needed enhancement to ensure that the responsibilities for Case Management Database modifications are appropriately separated and that DLA records evidence the entire change management process. In addition, we found that the information necessary to process crime victims’ applications for compensation was not always complete or did not agree with the applicable supporting documentation and the DLA did not always ensure that annual victim assistance grant program monitoring reports and supporting documentation were timely reviewed and approved. Similar findings were noted in prior audit reports. Our audit also disclosed that the DLA did not always timely deactivate user access privileges to the Florida Accounting Information Resource Subsystem upon an employee’s separation from DLA employment or timely or accurately record tangible personal property acquisitions in DLA property records.
- ◆ **Department of Children and Families – Oversight and Administration of Community-Based Care Lead Agencies and Behavioral Health Managing Entities and Selected Department Administrative Activities (Report No. 2019-111).** Our audit focused on the oversight and administration of foster care programs and related services administered by the Department of Children and Families (DCF) and selected Community-Based Care Lead Agencies (CBCs) and the oversight and administration of substance abuse and mental health services by the DCF and selected Behavioral Health Managing Entities (MEs). Our audit found that DCF monitoring of the CBCs and MEs continued to need improvement. We also found that DCF protocols for administering the CBC risk pool needed enhancement to ensure that unexpended funds are returned to the DCF at fiscal year-end. We noted that various Florida Safe Families Network (FSFN) and Substance Abuse and Mental Health Information System (SAMHIS) controls and processes need enhancement to ensure that data is timely and accurately entered and to ensure access privileges are appropriate and timely deactivated.

Our audit further found that CBC and ME subaward and monitoring controls needed improvement, some CBC contract payments were not supported by adequate documentation or made in accordance with contract terms, certain other payments, including the payment of bonuses by one CBC, and uses of leave by some CBCs and MEs, were not always properly supported or justified. Additionally, some CBC and ME property management controls and records were not always adequate to ensure proper accountability over property purchased with DCF-provided funds. For one CBC, we noted that the CBC’s records did not evidence the reasonableness of the \$1.175 million purchase price for certain acquired property, the value of property subsequently returned to the seller, or that the CBC refunded to the State the appropriate share of the State’s investment in the property. We also noted issues regarding certain DCF administrative activities, including purchasing cards, designation of work headquarters, data sanitization, collection and use of social security numbers, telework by employees, protection of child welfare data, and access to program data.

- ◆ **Department of the Lottery – Advertising and Sponsorship and Selected Administrative Activities (Report No. 2020-11).** Our audit of the Department of the Lottery (DOL) focused on DOL advertising and sponsorship and selected administrative activities. Our audit disclosed that DOL records did not always evidence adequate monitoring of advertising agency contracts. Our audit also found that DOL procedures for reconciling advertising agency subcontractor payments to vendor payment history records and DOL invoice payment controls need enhancement to, among to other things, ensure that sponsorship agreement payments are made in accordance with contract terms and conditions. We also found that the DOL did not always timely cancel purchasing cards upon a cardholder’s separation from DOL employment.

- ◆ **Department of Corrections – Community Supervision, Selected Administrative Activities, and Prior Audit Follow-Up (Report No. 2020-006).** The Department of Corrections (DOC) is responsible for supervising offenders released on probation or community control (community supervision). Our audit disclosed that DOC controls for administering drug and alcohol tests at probation offices needed enhancement. Our audit also disclosed that DOC records did not always evidence that State and Federal background checks were completed for correctional probation officers or their firearms, DOC controls needed enhancement to ensure that all probation officer field safety equipment is accounted for, and that the DOC did not always ensure that records were maintained for offenders released on community supervision or that the records maintained included the information specified by State law. We further noted that DOC controls over the intake, orientation, and case review of offenders released on community supervision, controls for offender supervision, and for the electronic monitoring of offenders, needed improvement. In addition, we found that the DOC utilized an internal budgetary redistribution process that sometimes bypassed the statutory approval process for budget transfers, the DOC did not always obtain and adequately document prior authorization and justification for overtime worked by correctional officers, and DOC records did not always accurately reflect motor vehicle usage and fuel cost information.

A listing of all State Government audit and attestation reports issued during the period November 1, 2018, through October 31, 2019, 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.
- Selected operations.

We also perform examinations of school district and other entity compliance with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment and student transportation reported under the Florida Education Finance Program. An overview of our audit activities is included on the following pages.

SCHOOL DISTRICTS.....	22
FLORIDA EDUCATION FINANCE PROGRAM	26
STATE UNIVERSITIES AND STATE COLLEGES	28

SCHOOL DISTRICTS

School Districts Audit Impact Measures	
Total asset values upon which financial statement opinions were rendered	\$15.8 billion
Total revenues upon which financial statement opinions were rendered	\$10.5 billion
Total Federal awards expenditures for major programs audited	\$399.8 million
<hr/>	
Number of audit reports issued	
Financial and Federal Awards	46
Financial	1
Operational	<u>30</u>
Total number of audit reports issued	<u>77</u>
Number of audit findings	231
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Number of findings identifying potential opportunities for cost recovery, savings, or loss avoidance	86
Total amount identified for cost recovery, savings, or loss avoidance	\$19.8 million

Financial Statements We audited the financial statements of 47 school districts for the fiscal year ended June 30, 2018. We found that 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 significant deficiencies⁴ at 20 school districts. The significant deficiencies related to financial reporting procedures, inappropriate or unnecessary information technology access privileges, and inadequate separation of duties.

Federal Awards In conjunction with our financial audits of the school districts, for 46 of the school districts,⁵ we examined compliance with Federal laws, regulations, and the terms and conditions for school district major Federal awards programs. Pursuant to the Federal Single Audit Act, the auditor is to 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. The number of

⁴ 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.

⁵ The Jefferson County K-12, A Somerset School, is a combination of the three charter schools that operate all Jefferson County School District schools and administer the District Federal programs. Consequently, Jefferson County School District was not required to obtain, and did not obtain, a Federal awards audit.

major Federal awards programs ranged from one to four at the 46 school districts we audited. In summary, our Federal Single Audits at the school districts disclosed that:

- ◆ 1 school district did not comply with indirect cost rate requirements considered material to the Child Nutrition Cluster, a major Federal awards program, resulting in a finding of noncompliance and material weakness⁶ in internal control over the program, a qualified opinion on the program, and questioned costs⁷ totaling \$274,284.
- ◆ 2 school districts did not comply with Federal awards requirements for the Title I Program, a nonmajor Federal awards program, which resulted in \$276,604 in questioned costs.

Operational Audits During the period November 1, 2018, through October 31, 2019, we issued operational audit reports for 30 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, monitoring charter schools, personnel compensation and payroll administration, information technology, adult general education enrollment reporting to the Department of Education, school safety, and the use of ad valorem tax levy proceeds and other capital outlay funds.

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

⁷ 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 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.

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.

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 General Education Enrollment Reporting	8	8
Capital Assets, Equipment, and Inventory	2	2
Cash and Cash Collections	3	3
Charter Schools	7	5
Construction and Related Activities	20	6
Control Environment – Separation of Incompatible Duties	1	1
Direct-Support Organization	3	3
Expenditures and Disbursements	1	1
Facilities	1	1
Federal Awards	3	3
Financial Management and Budgetary Internal Controls	13	11
Financial Reporting	5	5
Food Service Operations	1	1
Information Technology Internal Controls	61	34
Insurance	13	12
Personnel and Payroll	59	27
Purchasing Practices and Contractual Services	21	16
School Safety	2	2
Sexual Predator and Sexual Offender Registry Notification	1	1
Transportation Administration	1	1

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

- ◆ **Information Technology Internal Controls** – For 34 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. Some of the inappropriate or unnecessary privileges noted increased the risk that unauthorized disclosure of sensitive personal student or employee information, including student and employee social security numbers, may occur. 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 security awareness training, risk assessment, data loss prevention, and disaster recovery.

- ◆ **Personnel and Payroll** – Our audits disclosed that 27 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 (Program) awards to ineligible recipients, inadequate records to support recipient eligibility, and the payment of employer payroll taxes for the Program from non-Program resources without Board approval. We also noted that employee, contractor worker, and volunteer background screenings and salary schedules did not always comply with State law; payments to employees did not always reconcile to Board-approved salary schedules; certain employment agreements included severance pay provisions that did not appear to be consistent with State law; and procedural enhancements were needed to prevent salary overpayments. In addition, performance assessments were not always performed in accordance with State law. Amounts identified for cost recovery, savings, or loss avoidance related to the personnel and payroll audit findings ranged from \$800 to \$881,000.
- ◆ **Purchasing Practices and Contractual Services** – Our audits disclosed that 16 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 and the procurement and administration of contractual service agreements and related payments. At 1 school district, we noted that the Board did not make a documented determination that the best option for upgrading the school district phone system was to use District personnel working overtime, rather than competitively selecting or directly negotiating with a service provider. At another school district, we noted that procedures for procuring an enterprise planning system were not effective to ensure the timely and successful implementation of the system.
- ◆ **Insurance** – At 12 school districts, we reported that internal controls over insurance activities could be improved. Examples of internal control deficiencies included the lack of a competitive selection process when procuring insurance and the lack of procedures to ensure that the dependents of employees and retirees were eligible to participate in the school district health insurance plan.
- ◆ **Financial Management and Budgetary Internal Controls** – For 11 school districts, we noted that enhancements were needed in internal controls over financial management and budgetary internal controls. For example, we reported financial management issues, including the lack of timely, monthly financial reports being provided to the Board; budgetary control and transparency issues, such as expenditures exceeding budgetary amounts at some school districts; and a lack of school district accountability over school internal funds.

A listing of all school district audit reports issued during the period November 1, 2018, through October 31, 2019, 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	1,002,891
Total FTE Student Enrollment funding for entities examined	\$3.1 billion
Total Student Transportation funding for entities examined	\$164 million
Number of compliance examination reports issued for School Districts	22
Number of reports disclosing material noncompliance	22

Florida Education Finance Program (FEFP) funding, including Student Transportation funding (net of local school district funding) for the 2016-17 and 2017-18 fiscal years totaled approximately \$8.1 billion and \$8.4 billion, respectively. During the period November 1, 2018, through October 31, 2019, we completed examinations of the records of 11 school districts for the fiscal year ended June 30, 2017, and 11 school districts for the fiscal year ended June 30, 2018. 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, including teacher certification, and student transportation as reported under the FEFP.

Our examinations disclosed that, except for the material noncompliance noted in certain FEFP programs, the 22 school districts 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 Districts
Preparation and Maintenance of Student Records	21
Teacher Qualifications	10
Ridership Classification and Funding Eligibility of Transported Students	15

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, teachers did not earn college credits toward certification in out-of-field areas, and teachers did not earn the required in-service training points in English for Speakers of Other Languages 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 the adjustments proposed 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, 2018, through October 31, 2019, 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	\$34.4 billion
Total revenues upon which financial statement opinions were rendered	\$18.7 billion
<hr/>	
Number of audit reports issued	
Financial	40
Operational	<u>22</u>
Total number of audit reports issued	<u>62</u>
Number of audit findings	98
<hr/>	
Number of findings identifying potential opportunities for cost recovery, savings, or loss avoidance	51
Total amount identified for cost recovery, savings, or loss avoidance	\$29.1 million

Financial Statements During the period November 1, 2018, through October 31, 2019, we completed audits of the financial statements of 12 State universities and 28 State colleges for the fiscal year ended June 30, 2018. 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 reported a material weakness⁸ and material noncompliance⁹ at one State university, the University of Central Florida (UCF). We also noted significant deficiencies at 2 State colleges (Northwest Florida State College and Lake-Sumter State College). The material weakness and material noncompliance at UCF related to controls that were ineffective to prevent, or timely detect and correct, the unallowable use of \$29.1 million in Education and General appropriation carryforward funds for construction activities, contrary to Legislative directives. UCF also misreported the funding source for this construction in the capital outlay budget for the 2015-16 through 2018-19 fiscal years. The significant deficiencies at the State colleges pertained to inadequate financial reporting procedures and a lack of timely and complete bank reconciliations.

⁸ A material weakness is a deficiency, or a combination of deficiencies, in internal controls 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.

⁹ Material noncompliance is noncompliance with provisions of laws, regulations, contracts, or grant agreements that has a material effect on the financial statements.

Federal Awards We audited the Federal awards program 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, 2018, through October 31, 2019, we issued operational audit reports for 6 State universities and 16 State colleges. Our operational audits focused on several areas involving board oversight, such as policies regarding the use of State university or State college property, facilities, and services by direct-support organizations, as well as 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 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 findings 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
Adult General Education Enrollment Reporting	4	4
Auxiliary Enterprises	1	1
Board Policies and Actions	1	1
Cash and Cash Collections	5	5
Construction and Related Activities	13	5
Direct-Support Organizations	18	17
Distance Learning	2	2
Expenditures and Disbursements	1	1
Financial Management	8	7
Information Technology Internal Controls	18	12
Investments	2	1
Personnel and Payroll	10	10
Purchasing Practices and Contractual Services	5	4
Reporting to State Oversight Officials	1	1
Sexual Predator and Sexual Offender Registry Notification	1	1
Textbook Affordability	8	8

Some findings we noted at several State universities or State colleges are summarized below.

- ◆ **Direct-Support Organizations** – For 17 institutions, we reported that policies and records supporting institution property, facilities, and personal services used by direct-support

organizations could be improved. We also noted that 1 of these institutions leased land and facilities from its direct-support organization, without documenting an apparent public purpose as the facilities remained unoccupied for the period that lease payments were made.

- ◆ **Information Technology Internal Controls** – For 12 institutions, we reported that information technology (IT) internal controls enhancements were needed for financial and related systems. Needed enhancements involved restricting IT access privileges to only those needed to perform assigned job duties and developing procedures to timely evaluate access privileges. We noted an increased risk of unauthorized disclosure of prospective, former, and current students' social security numbers due to these inadequate access controls. We also noted instances in which institutions did not timely deactivate access privileges for former employees. Examples of other internal control deficiencies noted include the lack of a security awareness program, the lack of an IT risk assessment, and a need for security controls related to user authentication.
- ◆ **Personnel and Payroll** – Ten institutions needed to improve the administration of personnel and payroll functions. For example, we noted instances in which institutions made severance and terminal leave payments that exceeded the limits established in State law. We also noted that several institutions needed to implement procedures to ensure that certain employees reported time worked and supervisory approval of the time worked was documented. Two institutions did not document the reasonableness of President Emeritus compensation. Amounts identified for cost recovery, savings, or loss avoidance related to the personnel and payroll audit findings totaled \$15,698.
- ◆ **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 and to the institutions' course registration system and did not maintain records to document the dates the required textbook information was posted. We also noted instances in which institutions needed to implement or enhance procedures to help ensure that textbooks are available to students at the best prices available.
- ◆ **Financial Management** – Other than the material weakness and material noncompliance finding discussed in the **Financial Statements** section on page 28, six institutions needed to enhance internal controls over financial management. Several institutions needed to enhance procedures related to student receivables. We also noted that the intercollegiate athletic programs at two institutions were not self-supporting and continued to experience cash deficits.

A listing of all State university and State college audit reports issued during the period November 1, 2018, through October 31, 2019, 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 and public entity management has an important stewardship responsibility for establishing effective IT internal controls. Such controls should reasonably assure 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. The Auditor General also conducts IT operational audits of significant IT systems, processes, and controls.

State Agencies and Related Entities We issued six IT operational audit reports for State agencies and related entities during the period November 1, 2018, through October 31, 2019. These audits evaluated critical or complex systems, processes, or controls at six State agencies. These systems, processes, and controls included:

- ◆ The Florida Public Assistance System (FloridaPA.org) – a Web-based portal used by the Division of Emergency Management to manage the Disaster – Grants Florida Public Assistance programs relating to disaster relief and recovery.
- ◆ 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 System for Unified Taxation (SUNTAX) – the tax administration and accounting system used by the Department of Revenue.
- ◆ 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.
- ◆ Selected IT general and application controls applicable to 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.
- ◆ Selected IT general controls at the Agency for Persons with Disabilities.

Educational and Related Entities During the period November 1, 2018, through October 31, 2019, we issued five IT operational audit reports for educational entities, including two State universities, one State college, and two school districts. These audits evaluated:

- ◆ Selected IT internal controls at the Florida Polytechnic University applicable to Workday® Enterprise Cloud Applications, including the contractual relationship with Workday, Inc. as the provider for the University’s Workday® Software as a Service subscription.
- ◆ Selected IT internal controls at the University of Florida applicable to the Oracle PeopleSoft Applications.
- ◆ Selected IT internal controls at the Charlotte County District School Board applicable to the Focus Student Information System (Focus) and the infrastructure supporting Focus.
- ◆ Selected IT internal controls at the Broward College applicable to Workday® Enterprise Cloud Applications, including the contractual relationship with Workday, Inc. as the provider for the College’s Workday® Software as a Service subscription.
- ◆ Selected IT internal controls at the Seminole County District School Board applicable to the Oracle PeopleSoft Applications (PeopleSoft) and the Skyward Student Information System (Skyward) and the infrastructure supporting PeopleSoft and Skyward.

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. We noted findings related to general controls as well as business process application controls.

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

Control Area	Number of	
	Findings	Entities
Business Process Application Controls:		
Application-Level General	24	8
Configuration Management	6	2
Security Management	3	2
Business Process	3	1
Data Management System	1	1
General Controls:		
Security Management	14	8
Access	6	5
Configuration Management	1	1

Some of the common findings related to:

- ◆ Excessive or unnecessary user access privileges.
- ◆ Untimely removal of user access privileges.
- ◆ Lack of appropriate access authorization documentation for system users.
- ◆ Insufficient review of the appropriateness of user access privileges.
- ◆ Lack of retention of access control records related to the deactivation of access privileges.

- ◆ Lack of timely security awareness training for employees.
- ◆ Lack of a comprehensive policy for the performance of background screenings for employees and contracted consultants.
- ◆ Inadequate mobile device management security controls.
- ◆ Inadequate data quality controls.
- ◆ Inadequate controls over change management.

To avoid the possibility of compromising entity data and IT resources, we did not disclose in the public reports the specific details of certain sensitive matters we noted for 10 of the 11 entities discussed in this section. Specific details of these matters, included in a total of 38 findings, were separately communicated to applicable entity management. These matters involved security control deficiencies relating to various topics such as logical access, user authentication, logging and monitoring, physical security of data, configuration management, account management, and vulnerability management.

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 data 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.

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 issued during the period November 1, 2018, through October 31, 2019, 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 the Legislature, or when otherwise required by law. During the period November 1, 2018, through October 31, 2019, we issued reports on two operational audits directed by the Legislative Auditing Committee and Legislature; reports on two operational audits of water management districts, pursuant to Section 11.45(2)(f), Florida Statutes; and reports on follow-up procedures we performed pursuant to Section 11.45(2)(j), Florida Statutes, for two operational audits of local governmental entities.

City of Opa-Locka and Opa-Locka Community Redevelopment Agency (CRA) Our operational audit report No. 2019-221 disclosed a pervasive lack of adequate controls necessary to promote and encourage compliance with applicable State laws, City ordinances and regulations, contracts, grant agreements, and other applicable guidelines; economic and efficient operations; reliability of records and reports; and the safeguarding of assets. Our audit also disclosed numerous instances of potential fraud, waste, and abuse. For some of our findings, the amount of resources lost due to noncompliance or inadequate accountability was not quantifiable; however, we identified questioned costs or potential avoidable losses totaling nearly \$5 million, collectively, for the City and the CRA. Findings addressed:

- ◆ Deteriorating financial conditions.
- ◆ Inadequate administration and management of City operations, including the need for enhancements to controls for reporting known or suspected fraud and over the budgetary process.
- ◆ Lack of accountability for resources.
- ◆ Lack of adequate controls over cash, capital assets, motor vehicles, long-term debt, revenues and travel.
- ◆ Numerous control deficiencies related to payroll and personnel administration.
- ◆ Significant issues regarding procurement and contracting for goods and services, including instances where competitive selection processes were not used.
- ◆ Inadequate controls over the maintenance of public records.
- ◆ Significant issues and deficiencies relative to the creation, administration, funding, and oversight of the Opa-Locka CRA.

East Flagler Mosquito Control District The findings in our operational report No. 2019-112 of the District included:

- ◆ Lack of adequate policies and procedures regarding construction projects, including competitive selection of architectural services, evaluating suitability of proposed construction sites, retaining critical documents, assessing damages for construction delays, and monitoring project change orders.
- ◆ Lack of records evidencing that an architectural firm maintained the contractually required professional liability insurance coverage.

- ◆ Lack of formal financial policies addressing the budget development and management process, which contributed to a significant overstatement of initial available balances, failure to post budget amendments to the District's Web site as required by law, and a lack of clarity in budget reports.
- ◆ Lack of policies and procedures establishing minimum unrestricted fund balances for the District's General Fund and lack of anti-fraud policies or procedures.

St. Johns River Water Management District The findings in our operational audit report No. 2019-079 disclosed that:

- ◆ Records did not always demonstrate the District inspector general complied with applicable statutory requirements.
- ◆ The most appropriate and statutorily-required competitive procurement practices were not always used in the District's acquisition of design-build services and for construction projects.
- ◆ There was no documentation showing Board approval to waive a closing contingency provision that became applicable during an acquisition of land for conservation purposes.

Northwest Florida Water Management District The findings in our operational audit report No. 2019-050 disclosed that:

- ◆ District policies and procedures for the disposal of tangible personal property could be improved.
- ◆ District motor vehicle logs did not always document supervisory review and approval to confirm the propriety of vehicle use.
- ◆ District vehicle maintenance and repair expenditures were not always recorded in the vehicle management system, which is used to monitor expenditures for each vehicle.

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

- ◆ **City of Archer** - Our follow-up audit report No. 2019-088 disclosed that, of the 14 findings and recommendations contained in our report No. 2016-197, the City's actions corrected 5 findings, partially corrected 7 findings, and did not correct 2 findings.
- ◆ **City of Palatka and Palatka Downtown Redevelopment Agency** - Our follow-up audit report No. 2019-214 disclosed that, of the 5 findings and recommendations contained in our report No. 2017-107, the City and Downtown Redevelopment Agency's actions corrected 3 findings and partially corrected 2 findings.

SCHOLARSHIP FUNDING ORGANIZATIONS

Pursuant to Sections 11.45(2)(l), 1002.385(14)(a), and 1002.40(12), Florida Statutes, we conduct annual operational audits of the accounts and records of eligible nonprofit scholarship-funding organizations participating in a State-sponsored scholarship program authorized by Chapter 1002, Florida Statutes.

AAA Scholarship Foundation – FL, LLC In our operational audit report Nos. 2019-179 and 2020-025, we noted that the Foundation generally complied with the applicable provisions governing the Florida Tax Credit Scholarship and Gardiner Scholarship Programs.

Step Up For Students, Inc. The findings in our operational audit report No. 2020-020 disclosed that:

- ◆ Household income of Florida Tax Credit Program scholarship applicants was not always properly evaluated to ensure that scholarships were awarded only to eligible students. Additionally, the Florida Department of Education was not consulted to ensure prior scholarship award eligibility errors were satisfactorily resolved.
- ◆ Procedures did not require and ensure that exempt employees maintained records of time worked or require supervisory approval of such records.
- ◆ Contrary to State law, employees and students were not notified of the purpose for which their social security numbers were collected. In addition, some unnecessary information technology user access privileges existed that increased the risk of unauthorized disclosure of sensitive personal student information.
- ◆ Application processing errors caused a delay in funding for certain students eligible through the Gardiner Scholarship Program.
- ◆ Procedures did not always identify those private schools required to contract with an independent certified public accountant for an agreed upon procedures engagement pursuant to State law; as a result, reports were not received from several private schools required to contract for such an engagement.
- ◆ Florida Tax Credit Scholarship Program investment earnings of \$280,000 were spent for non-Program purposes.

RULES OF THE AUDITOR GENERAL AND OTHER GUIDANCE

To promote audit quality, the Auditor General promulgates rules in consultation with the Florida Board of Accountancy and provides technical assistance to local educational entities, nonprofit and for-profit organizations, and 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, www.FLAuditor.gov. Additionally, the Auditor General provides guidelines for reviewing audit reports of charter schools, charter technical career centers, school districts, the Florida Virtual School, virtual instruction program providers, and local governmental entities.

The Auditor General publishes a compliance supplement to assist CPAs in conducting local governmental entity audits pursuant to Section 218.39, Florida Statutes. The Auditor General also publishes another compliance supplement to assist auditors in identifying significant compliance issues that affect the operations of school districts and to provide a resource for the efficient and cost-effective research of significant laws and rules applicable to school district operations.

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 auditor's reports comply with applicable *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 governmental entities.

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, or local governmental entity, as applicable, that:

- ◆ Failed to comply with the Section 218.39, Florida Statutes, audit requirements.¹⁰
- ◆ 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.¹¹
- ◆ 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.¹²

¹⁰ For special districts, we are also required to notify the Department of Economic Opportunity.

¹¹ This requirement also applies to operational audits of school districts, State universities, and State colleges conducted pursuant to Section 11.45, Florida Statutes.

¹² For charter schools, charter technical career centers, and school districts, we are also required to notify the Commissioner of Education. For local governmental entities, 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 local governmental entities that failed to comply with statutory transparency requirements as identified in audit reports reviewed pursuant to Section 11.45(7)(b), Florida Statutes, or by audits conducted by the Auditor General pursuant to Section 11.45(2), Florida Statutes.

Effective July 1, 2019, pursuant to Section 11.45(2)(k), Florida Statutes, we are required to contact each school district with findings and recommendations contained within the previous operational audit report and request evidence of the initiation of corrective action within 45 days and evidence of completion of corrective action within 180 days. If the school district fails to timely comply with our request or is unable to take corrective action within the required time frame, we are to notify the Legislative Auditing Committee.

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 issued six quality assessment review reports during the period November 1, 2018, through October 31, 2019. Four of the reports addressed review periods of July 2018 through June 2019, and two of the reports addressed review periods of July 2017 through June 2018.

For each of the six reviews, we reported that the quality assurance and improvement program related to the OIGs' internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance with applicable professional auditing standards and the Code of Ethics issued by the Institute of Internal Auditors. We also found that the OIGs generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' OIG 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, our 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 issued during the period November 1, 2018, through October 31, 2019, is included in **EXHIBIT B** of this Annual Report.

ANNUAL REPORT EXHIBITS

EXHIBIT A is our projected work plan for the 2020-21 and 2021-22 fiscal years and, as additional information, we have included three other exhibits in this Annual Report.

EXHIBIT A Projected Work Plan 2020-2021 and 2021-2022	EXHIBIT A represents our Projected 2-Year Work Plan for the 2020-21 and 2021-22 fiscal years based on our analyses as of November 25, 2019. 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 Issued During the Period November 1, 2018, Through October 31, 2019	EXHIBIT B lists each report we issued during the period November 1, 2018, through October 31, 2019. The report information is generally provided by entity type; however, some report information is listed under other audits and accountability activities.	Pages 44 - 51
EXHIBIT C Reports Issued or Scheduled to Be Issued Subsequent to October 31, 2019, and by March 31, 2020	EXHIBIT C provides information on our audit activities completed or in progress subsequent to the October 31, 2019, cutoff date for this Annual Report. We post reports to our Web site www.FLAuditor.gov as the reports are issued.	Pages 52 - 54
EXHIBIT D NSAA Peer Review Report	EXHIBIT D presents the NSAA Peer Review Report, dated October 18, 2019, on our system of quality control.	Page 55
EXHIBIT E Auditor General Contact Information	EXHIBIT E 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 56

EXHIBIT A

PROJECTED WORK PLAN 2020 – 2021

◆ **Financial Audits:**

- *Department of the Lottery*
- *Florida Retirement System Pension Plan and Other State-Administered Systems Schedules of Employer Allocations and Pension Amounts by Employer*
- *Florida School for the Deaf and the Blind*
- *Local Government Surplus Funds Trust Fund*
- *School Districts, including Audit of Federal Awards, as applicable (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*
- *Citizens Property Insurance Corporation*
- *Commission on Offender Review*
- *Department of Agriculture and Consumer Services*
- *Department of Agriculture and Consumer Services – Information Technology Audit*
- *Department of Business and Professional Regulation*
- *Department of Children and Families*
- *Department of Children and Families – Florida Online Recipient Integrated Data Access (FLORIDA) System – Information Technology Audit*
- *Department of Corrections*
- *Department of Economic Opportunity – Reemployment Assistance Claims and Benefits Information System – Information Technology Audit*
- *Department of Financial Services – Florida Accounting Information Resource Subsystem (FLAIR) – Information Technology Audit*
- *Department of Health*
- *Department of Management Services*
- *Department of Military Affairs*
- *Department of Revenue*
- *Department of Revenue – Ad Valorem Tax Program*
- *Department of Transportation*
- *Department of Transportation – Federal Programs Management Subsystem – Information Technology Audit*

EXHIBIT A

PROJECTED WORK PLAN 2020 – 2021

◆ Operational and Performance Audits (Continued):

- *Department of Veterans' Affairs*
- *Fish and Wildlife Conservation Commission*
- *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*
- *Judicial-Related Entities*
- *Local Government Financial Reporting System*
- *Multi-Agency Audit of Surplus Hard Drives – Information Technology Audit*
- *Office of Early Learning*
- *Selected Local Governmental Entities*
- *Scholarship Funding Organizations*
- *School Districts (22)*
- *State Board of Administration*
- *State Board of Administration and Florida PRIME – Information Technology Audit*
- *State Colleges (9)*
- *State Universities (3)*
- *Triumph Gulf Coast, Inc.*

◆ Florida Education Finance Program Examinations:

- *School Districts (30)*

◆ 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 2021 – 2022

◆ Financial Audits:

- *Department of the Lottery*
- *Florida Retirement System Pension Plan and Other State-Administered Systems Schedules of Employer Allocations and Pension Amounts by Employer*
- *Florida School for the Deaf and the Blind*
- *Local Government Surplus Funds Trust Fund*
- *School Districts, including Audit of Federal Awards, as applicable (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 – State Data Center Operations – Information Technology Audit*
- *Department of Children and Families*
- *Department of Corrections*
- *Department of Economic Opportunity*
- *Department of Education*
- *Department of Environmental Protection*
- *Department of Financial Services*
- *Department of Financial Services – Florida Accounting Information Resource Subsystem (FLAIR) – Information Technology Audit*
- *Department of Law Enforcement – Information Technology Audit*
- *Department of Juvenile Justice*
- *Department of Legal Affairs*
- *Department of the Lottery*
- *Department of Management Services – Division of Retirement Integrated Retirement Information System (IRIS) – Information Technology Audit*
- *Division of Emergency Management*
- *Information Technology Audits of Selected State Agency and Educational Entity Major Systems*

EXHIBIT A

PROJECTED WORK PLAN 2021 – 2022

◆ **Operational and Performance Audits (Continued):**

- *Multi-Agency Audit of Disaster Recovery – Information Technology Audit*
- *Office of Financial Regulation*
- *Public Service Commission*
- *Selected Local Governmental Entities*
- *Scholarship Funding Organizations*
- *School Districts (29)*
- *State Colleges (13)*
- *State Universities (6)*
- *Triumph Gulf Coast, Inc.*

◆ **Florida Education Finance Program Examinations:**

- *School Districts (30)*

◆ **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 (34)*
- *Technical Advice and Rule and Guideline Maintenance*

EXHIBIT B
Reports Issued During the Period
November 1, 2018, Through October 31, 2019

Report Number	Audited Entity and Report Title	Report Issue Date
State Government		
2020-012	Agency for Persons With Disabilities - iBudget Florida - Operational Audit	08/13/2019
2020-018	Agency for Persons with Disabilities - Information Technology General Controls - Information Technology Operational Audit	08/27/2019
2019-152	Agency for State Technology - State IT Project Management and Oversight - Operational Audit	03/15/2019
2019-064	Department of Agriculture and Consumer Services - Administration of Private Investigator, Security Officer, Recovery Agent, and Concealed Weapon Licenses and Prior Audit Follow-Up - Operational Audit	12/03/2018
2019-111	Department of Children and Families - Oversight and Administration of Community-Based Care Lead Agencies and Behavioral Health Managing Entities and Selected Department Administrative Activities - Operational Audit	01/31/2019
2019-101	Department of Children and Families - Regulation of Child Care Providers and Licensing of Foster Homes - Operational Audit	01/14/2019
2020-006	Department of Corrections - Community Supervision, Selected Administrative Activities, and Prior Audit Follow-Up - Operational Audit	07/25/2019
2019-183	Department of Economic Opportunity - Reemployment Assistance Claims and Benefits Information System (CONNECT) - Information Technology Operational Audit	03/27/2019
2020-017	Department of Economic Opportunity - Selected Administrative Activities - Operational Audit	08/23/2019
2020-026	Department of Environmental Protection - Selected Information Technology Systems - Operational Audit	09/12/2019
2019-068	Department of Financial Services - Florida Accounting Information Resource Subsystem (FLAIR) - Information Technology Operational Audit	12/10/2018
2019-097	Department of Legal Affairs - Medicaid Fraud Control Unit, Selected Administrative Activities, and Prior Audit Follow-Up - Operational Audit	01/04/2019
2019-220	Department of Management Services - Information Technology General Controls and Integrated Retirement Information System (IRIS) - Information Technology Operational Audit	06/28/2019
2019-098	Department of Management Services - Statewide Law Enforcement Radio System Prior Audit Follow-Up and Selected Administrative Activities - Operational Audit	01/07/2019
2019-195	Department of Military Affairs - Selected Administrative Activities and Prior Audit Follow-Up - Operational Audit	03/28/2019
2020-003	Department of Revenue - Administration of the Ad Valorem Tax Program - Performance Audit	07/17/2019
2019-216	Department of Revenue - Selected Administrative Activities and Prior Audit Follow-Up - Operational Audit	05/31/2019
2019-124	Department of Revenue - System for Unified Taxation (SUNTAX) - Information Technology Operational Audit	02/14/2019
2020-011	Department of the Lottery - Advertising and Sponsorship and Selected Administrative Activities - Operational Audit	08/09/2019
2019-090	Department of the Lottery - Comprehensive Annual Financial Report	12/21/2018
2020-040	Department of Transportation - Right-of-Way Relocation Assistance Program - Operational Audit	10/24/2019
2019-209	Division of Administrative Hearings - Adjudication of Disputes Program, Workers' Compensation Appeals Program, and Selected Information Technology Controls and Administrative Activities - Operational Audit	04/22/2019

EXHIBIT B
Reports Issued During the Period
November 1, 2018, Through October 31, 2019

Report Number	Audited Entity and Report Title	Report Issue Date
State Government – Continued		
2019-049	Division of Emergency Management - Florida Public Assistance System (FloridaPA.org) - Information Technology Operational Audit	11/08/2018
2020-016	Division of Emergency Management - Public Assistance Program and Prior Audit Follow-Up - Operational Audit	08/22/2019
2020-019	Florida Retirement System and Retiree Health Insurance Subsidy Program Cost-Sharing Multiple Employer Defined Benefit Pension Plans Deferred Outflows for Contributions Subsequent to the June 30, 2018, Measurement Date by Employer	08/28/2019
2019-086	Florida Retirement System Pension Plan and Other State - Administered Systems - Financial Audit	12/19/2018
2019-197	Florida School for the Deaf and the Blind - Financial Audit	03/29/2019
2020-027	Florida State University - Northwest Regional Data Center - Cost Allocation Processes - Operational Audit	09/12/2019
2020-008	Justice Administrative Commission, State Attorneys, Public Defenders, Capital Collateral Regional Counsel, Criminal Conflict and Civil Regional Counsel, and Guardian Ad Litem - Operational Audit	07/31/2019
2019-203	Office of Early Learning - TEACH Scholarship Program and Prior Audit Follow-Up - Operational Audit	04/03/2019
2019-104	Office of Financial Regulation - Division of Securities and Prior Audit Follow-Up - Operational Audit	01/18/2019
2019-217	Public Service Commission - Selected Administrative Activities and Prior Audit Follow-Up - Operational Audit	06/19/2019
2019-102	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	01/16/2019
2019-067	State Board of Administration - Local Government Surplus Funds Trust Fund (Florida PRIME) - (An External Investment Pool) - Financial Audit	12/07/2018
2019-186	State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards ^a	03/28/2019
2020-032	State University System Board of Governors - Operational Audit	09/30/2019
2019-215	Triumph Gulf Coast, Inc. - Operational Audit	05/21/2019
School Districts		
2019-164	Alachua County District School Board - Financial and Federal Single Audit	03/20/2019
2019-085	Alachua County District School Board - Operational Audit	12/18/2018
2019-130	Baker County District School Board - Financial and Federal Single Audit	02/19/2019
2019-158	Bradford County District School Board - Financial and Federal Single Audit	03/19/2019
2019-198	Broward County District School Board - Financial and Federal Single Audit	03/29/2019
2019-210	Broward County District School Board - Operational Audit	04/26/2019
2019-127	Calhoun County District School Board - Financial and Federal Single Audit	02/15/2019
2019-212	Charlotte County District School Board - Focus Student Information System - Information Technology Operational Audit	05/02/2019
2019-163	Citrus County District School Board - Financial and Federal Single Audit	03/20/2019
2019-069	Citrus County District School Board - Operational Audit	12/10/2018
2019-185	Clay County District School Board - Financial and Federal Single Audit	03/27/2019

^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, 2018*.

EXHIBIT B
Reports Issued During the Period
November 1, 2018, Through October 31, 2019

Report Number	Audited Entity and Report Title	Report Issue Date
School Districts – Continued		
2019-115	Clay County District School Board - Operational Audit	02/05/2019
2019-072	Collier County District School Board - Financial and Federal Single Audit	12/11/2018
2019-109	Collier County District School Board - Operational Audit	01/29/2019
2019-119	Columbia County District School Board - Financial and Federal Single Audit	02/11/2019
2019-087	Columbia County District School Board - Operational Audit	12/19/2018
2019-120	Desoto County District School Board - Financial and Federal Single Audit	02/11/2019
2020-033	DeSoto County District School Board - Operational Audit	10/01/2019
2019-106	Dixie County District School Board - Financial and Federal Single Audit	01/24/2019
2019-060	Dixie County District School Board - Operational Audit	11/30/2018
2019-126	Flagler County District School Board - Financial and Federal Single Audit	02/15/2019
2019-065	Franklin County District School Board - Financial and Federal Single Audit	12/03/2018
2019-162	Gadsden County District School Board - Financial and Federal Single Audit	03/19/2019
2020-042	Gadsden County District School Board - Operational Audit	10/29/2019
2019-181	Gilchrist County District School Board - Financial and Federal Single Audit	03/26/2019
2019-150	Glades County District School Board - Financial and Federal Single Audit	03/15/2019
2020-009	Glades County District School Board - Operational Audit	08/06/2019
2019-149	Gulf County District School Board - Financial and Federal Single Audit	03/13/2019
2020-010	Gulf County District School Board - Operational Audit	08/08/2019
2019-157	Hamilton County District School Board - Financial and Federal Single Audit	03/19/2019
2020-013	Hamilton County District School Board - Operational Audit	08/14/2019
2019-142	Hardee County District School Board - Financial and Federal Single Audit	03/07/2019
2019-161	Hardee County District School Board - Operational Audit	03/19/2019
2019-113	Hendry County District School Board - Financial and Federal Single Audit	02/05/2019
2020-030	Hendry County District School Board - Operational Audit	09/26/2019
2019-137	Hernando County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	02/28/2019
2019-202	Hernando County District School Board - Operational Audit	04/02/2019
2019-117	Highlands County District School Board - Financial and Federal Single Audit	02/08/2019
2019-167	Holmes County District School Board - Financial and Federal Single Audit	03/21/2019
2020-037	Holmes County District School Board - Operational Audit	10/18/2019
2019-196	Indian River County District School Board - Financial and Federal Single Audit	03/28/2019
2019-144	Jackson County District School Board - Financial and Federal Single Audit	03/07/2019
2019-207	Jackson County District School Board - Operational Audit	04/18/2019
2019-153	Jefferson County District School Board - Financial Audit	03/15/2019
2019-208	Jefferson County District School Board and Jefferson County K-12, A Somerset School - Operational Audit	04/18/2019
2019-141	Lafayette County District School Board - Financial and Federal Single Audit	03/07/2019
2019-178	Levy County District School Board - Financial and Federal Single Audit	03/22/2019
2019-099	Levy County District School Board - Operational Audit	01/08/2019
2019-151	Liberty County District School Board - Financial and Federal Single Audit	03/15/2019

EXHIBIT B
Reports Issued During the Period
November 1, 2018, Through October 31, 2019

Report Number	Audited Entity and Report Title	Report Issue Date
School Districts – Continued		
2019-172	Madison County District School Board - Financial and Federal Single Audit	03/21/2019
2019-205	Manatee County District School Board - Operational Audit	04/11/2019
2019-092	Martin County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/26/2018
2019-078	Monroe County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/14/2018
2019-145	Nassau County District School Board - Financial and Federal Single Audit	03/12/2019
2019-140	Nassau County District School Board - Operational Audit	03/05/2019
2019-135	Okaloosa County District School Board - Financial and Federal Single Audit	02/22/2019
2019-057	Okaloosa County District School Board - Operational Audit	11/27/2018
2019-146	Okeechobee County District School Board - Financial and Federal Single Audit	03/12/2019
2019-218	Palm Beach County District School Board - Operational Audit	06/24/2019
2019-082	Polk County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/19/2018
2019-204	Polk County District School Board - Operational Audit	04/08/2019
2019-191	Putnam County District School Board - Financial and Federal Single Audit	03/28/2019
2019-074	Sarasota County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/12/2018
2019-100	Sarasota County District School Board - Operational Audit	01/10/2019
2020-039	Seminole County District School Board - Oracle PeopleSoft Applications and Skyward Student Information System - Information Technology Operational Audit	10/22/2019
2019-199	St. Lucie County District School Board - Financial and Federal Single Audit	03/29/2019
2019-213	St. Lucie County District School Board - Operational Audit	05/13/2019
2019-173	Sumter County District School Board - Financial and Federal Single Audit	03/22/2019
2019-073	Sumter County District School Board - Operational Audit	12/12/2018
2019-131	Suwannee County District School Board - Financial and Federal Single Audit	02/19/2019
2019-094	Suwannee County District School Board - Operational Audit	01/02/2019
2019-121	Taylor County District School Board - Financial and Federal Single Audit	02/11/2019
2019-132	Union County District School Board - Financial and Federal Single Audit	02/19/2019
2019-070	Volusia County District School Board - Comprehensive Annual Financial Report and Federal Single Audit	12/11/2018
2019-211	Volusia County District School Board - Operational Audit	05/02/2019
2019-122	Wakulla County District School Board - Financial and Federal Single Audit	02/13/2019
2019-051	Wakulla County District School Board - Operational Audit	11/16/2018
2019-123	Walton County District School Board - Financial and Federal Single Audit	02/13/2019
2019-176	Washington County District School Board - Financial and Federal Single Audit	03/22/2019
Florida Education Finance Program		
2020-028	Baker County District School Board - Florida Education Finance Program - Attestation Examination	09/17/2019
2020-031	Duval County District School Board - Florida Education Finance Program - Attestation Examination	09/27/2019
2019-062	Flagler County District School Board - Florida Education Finance Program - Attestation Examination	11/30/2018

EXHIBIT B
Reports Issued During the Period
November 1, 2018, Through October 31, 2019

Report Number	Audited Entity and Report Title	Report Issue Date
Florida Education Finance Program – Continued		
2019-089	Gadsden County District School Board - Florida Education Finance Program - Attestation Examination	12/20/2018
2019-075	Highlands County District School Board - Florida Education Finance Program - Attestation Examination	12/13/2018
2019-061	Hillsborough County District School Board - Florida Education Finance Program - Attestation Examination	11/30/2018
2020-043	Lafayette County District School Board - Florida Education Finance Program - Attestation Examination	10/31/2019
2020-021	Lake County District School Board - Florida Education Finance Program - Attestation Examination	09/09/2019
2020-024	Levy County District School Board - Florida Education Finance Program - Attestation Examination	09/10/2019
2019-091	Madison County District School Board - Florida Education Finance Program - Attestation Examination	12/21/2018
2019-080	Manatee County District School Board - Florida Education Finance Program - Attestation Examination	12/17/2018
2019-056	Marion County District School Board - Florida Education Finance Program - Attestation Examination	11/27/2018
2019-076	Martin County District School Board - Florida Education Finance Program - Attestation Examination	12/14/2018
2020-022	Palm Beach County District School Board - Florida Education Finance Program - Attestation Examination	09/09/2019
2020-041	Pinellas County District School Board - Florida Education Finance Program - Attestation Examination	10/29/2019
2020-002	Santa Rosa County District School Board - Florida Education Finance Program - Attestation Examination	07/11/2019
2019-071	Seminole County District School Board - Florida Education Finance Program - Attestation Examination	12/10/2018
2019-077	Suwannee County District School Board - Florida Education Finance Program - Attestation Examination	12/14/2018
2020-007	Union County District School Board - Florida Education Finance Program - Attestation Examination	07/30/2019
2020-034	Volusia County District School Board - Florida Education Finance Program - Attestation Examination	10/08/2019
2019-048	Walton County District School Board - Florida Education Finance Program - Attestation Examination	11/06/2018
2020-023	Washington County District School Board - Florida Education Finance Program - Attestation Examination	09/10/2019
State Universities		
2019-105	Florida Agricultural and Mechanical University - Financial Audit	01/23/2019
2019-063	Florida Agricultural and Mechanical University - Operational Audit	12/03/2018
2019-156	Florida Atlantic University - Financial Audit	03/18/2019
2019-206	Florida Atlantic University - Operational Audit	04/12/2019
2019-189	Florida Gulf Coast University - Financial Audit	03/27/2019
2019-188	Florida International University - Financial Audit	03/27/2019
2020-005	Florida International University - Operational Audit	07/22/2019
2019-171	Florida Polytechnic University - Financial Audit	03/21/2019
2019-103	Florida Polytechnic University - Workday® Enterprise Cloud Applications - Information Technology Operational Audit	01/17/2019
2019-114	Florida State University - Financial Audit	02/05/2019
2019-083	Florida State University - Operational Audit	12/18/2018
2019-136	New College of Florida - Financial Audit	02/25/2019
2019-168	University of Central Florida - Financial Audit	03/21/2019

EXHIBIT B
Reports Issued During the Period
November 1, 2018, Through October 31, 2019

Report Number	Audited Entity and Report Title	Report Issue Date
State Universities – Continued		
2019-095	University of Central Florida - Operational Audit	01/04/2019
2019-118	University of Florida - Financial Audit	02/11/2019
2019-138	University of Florida - Oracle PeopleSoft Applications - Information Technology Operational Audit	03/01/2019
2019-184	University of North Florida - Financial Audit	03/27/2019
2019-108	University of South Florida - Financial Audit	01/24/2019
2020-014	University of South Florida - Operational Audit	08/21/2019
2019-170	University of West Florida - Financial Audit	03/21/2019
State Colleges		
2019-192	Broward College - Financial Audit	03/28/2019
2020-015	Broward College - Workday® Enterprise Cloud Applications - Information Technology Operational Audit	08/21/2019
2019-166	Chipola College - Financial Audit	03/20/2019
2019-058	Chipola College - Operational Audit	11/27/2018
2019-194	College of Central Florida - Financial Audit	03/28/2019
2019-133	College of Central Florida - Operational Audit	02/20/2019
2019-177	Daytona State College - Financial Audit	03/22/2019
2019-093	Daytona State College - Operational Audit	01/02/2019
2019-182	Eastern Florida State College - Financial Audit	03/26/2019
2019-059	Eastern Florida State College - Operational Audit	11/27/2018
2019-110	Florida Gateway College - Financial Audit	01/30/2019
2019-147	Florida Keys Community College - Financial Audit	03/13/2019
2019-174	Florida SouthWestern State College - Financial Audit	03/22/2019
2019-066	Florida SouthWestern State College - Operational Audit	12/07/2018
2019-129	Florida State College at Jacksonville - Financial Audit	02/18/2019
2019-219	Gulf Coast State College - Financial Audit	06/25/2019
2019-046	Gulf Coast State College - Operational Audit	11/02/2018
2019-128	Hillsborough Community College - Financial Audit	02/18/2019
2019-190	Indian River State College - Financial Audit	03/27/2019
2019-139	Indian River State College - Operational Audit	03/05/2019
2019-200	Lake-Sumter State College - Financial Audit	03/29/2019
2019-125	Lake-Sumter State College - Operational Audit	02/14/2019
2019-193	Miami Dade College - Financial Audit	03/28/2019
2019-175	North Florida Community College - Financial Audit	03/22/2019
2019-148	Northwest Florida State College - Financial Audit	03/13/2019
2019-180	Palm Beach State College - Financial Audit	03/26/2019
2020-038	Palm Beach State College - Operational Audit	10/18/2019
2019-107	Pasco-Hernando State College - Financial Audit	01/24/2019
2019-159	Pensacola State College - Financial Audit	03/19/2019
2019-081	Pensacola State College - Operational Audit	12/18/2018

EXHIBIT B
Reports Issued During the Period
November 1, 2018, Through October 31, 2019

Report Number	Audited Entity and Report Title	Report Issue Date
State Colleges - Continued		
2019-169	Polk State College - Financial Audit	03/21/2019
2019-054	Polk State College - Operational Audit	11/20/2018
2019-187	Santa Fe College - Financial Audit	03/27/2019
2019-134	Seminole State College of Florida - Financial Audit	02/22/2019
2019-084	Seminole State College of Florida - Operational Audit	12/18/2018
2019-165	South Florida State College - Financial Audit	03/20/2019
2019-160	St. Johns River State College - Financial Audit	03/19/2019
2019-053	St. Johns River State College - Operational Audit	11/19/2018
2019-143	St. Petersburg College - Financial Audit	03/07/2019
2019-154	State College of Florida, Manatee-Sarasota - Financial Audit	03/18/2019
2019-045	State College of Florida, Manatee-Sarasota - Operational Audit	11/02/2018
2019-116	Tallahassee Community College - Financial Audit	02/08/2019
2020-035	Tallahassee Community College - Operational Audit	10/09/2019
2019-155	Valencia College - Financial Audit	03/18/2019
2020-036	Valencia College - Operational Audit	10/16/2019
Other Audits and Accountability Activities		
2019-179	AAA Scholarship Foundation - FL, LLC - Operational Audit	03/25/2019
2020-025	AAA Scholarship Foundation - FL, LLC - Operational Audit	09/11/2019
2019-088	City of Archer - Prior Audit Follow-Up - Operational Audit	12/20/2018
2019-221	City of Opa-locka and Opa-locka Community Redevelopment Agency - Operational Audit	06/28/2019
2019-214	City of Palatka and Palatka Downtown Redevelopment Agency - Prior Audit Follow-Up - Operational Audit	05/21/2019
2019-112	East Flagler Mosquito Control District - Operational Audit	02/01/2019
2019-050	Northwest Florida Water Management District - Operational Audit	11/15/2018
2020-001	Review of District School Board, Charter School, and Charter Technical Career Center Audit Reports for the Fiscal Year Ended June 30, 2018, Pursuant to Section 11.45(7)(b), Florida Statutes	07/11/2019
2019-096	Review of Local Governmental Entity 2016-17 Fiscal Year Audit Reports Pursuant to Section 11.45(7)(b), Florida Statutes	01/04/2019
2020-029	Review of Nonprofit, For-Profit, and Other Entities Financial Reporting Packages For Fiscal Years Ended October 1, 2017, Through September 30, 2018, Pursuant to Section 215.97(12)(f), Florida Statutes	09/25/2019
2019-079	St. Johns River Water Management District - Operational Audit	12/17/2018
2020-020	Step Up For Students, Inc. - Operational Audit	08/29/2019
2020-004	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, 2017, Pursuant to Section 11.45(7)(f), Florida Statutes	07/19/2019
2019-047	Summary of Significant Findings and Financial Trends Identified in District School Board Audit Reports for the Fiscal Year Ended June 30, 2017, Pursuant to Section 11.45(7)(f), Florida Statutes	11/06/2018

EXHIBIT B
Reports Issued During the Period
November 1, 2018, Through October 31, 2019

Report Number	Audited Entity and Report Title	Report Issue Date
Other Audits and Accountability Activities - Continued		
2019-201	Summary of Significant Findings and Financial Trends Identified in Local Government Audit Reports for the 2016-17 Fiscal Year Pursuant to Section 11.45(7)(f), Florida Statutes	04/02/2019
2019-052	Board of Governors - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/16/2018
2020-044	Department of Corrections - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	10/31/2019
2020-046	Department of State - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	10/31/2019
2020-045	Executive Office of the Governor - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	10/31/2019
2019-055	Office of Financial Regulation - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	11/21/2018
2020-047	State Courts System - Office of Inspector General's Internal Audit Activity - Quality Assessment Review	10/31/2019

EXHIBIT C

**Reports Issued or Scheduled to Be Issued Subsequent to
October 31, 2019, and by March 31, 2020**

State Government

Audit Entity	Scope/Areas of Operations
Agency for Health Care Administration	Analysis of Medicaid Claims Data
Agency for State Technology	State Data Center Operations – Information Technology
Department of Children and Families	Office of Public Benefits Integrity and Selected Administrative Activities State Mental Health Treatment Facilities Office of Inspector General's Internal Audit Activity
Department of Citrus	Contract Procurement and Management and Other Administrative Activities
Department of Corrections	Correctional Officer Recruitment, Certification, and Training, and Selected Administrative Activities
Department of Education	Office of Safe Schools and Prior Audit Follow-Up
Department of Elder Affairs	Office of Public and Professional Guardians and Selected Administrative Activities
Department of Financial Services	Funeral, Cemetery, and Consumer Services Regulation Division of Treasury – Selected Treasury Systems – Information Technology Florida Accounting Information Resource Subsystem – Information Technology
Department of Health	Food Service Establishment Licensing and Inspection and Prior Audit Follow-Up
Department of Highway Safety and Motor Vehicles	Selected Administrative Activities and Prior Audit Follow-Up
Department of Juvenile Justice	Procurement and Administration of Non-Residential Services Contracts, Selected Administrative Activities, and Prior Audit Follow-Up
Department of Law Enforcement	Administration of Aircraft, Selected Information Technology Controls, and Prior Audit Follow-Up
Department of the Lottery	Financial Statements
Department of Management Services	Florida Retirement System – Financial Statements Florida Retirement System – Schedules of Employer Allocations and Schedules of Pension Amounts and Certain Activities Through September 30, 2019
Department of State	Voting System Standards and Certification, Voter Registration Records Maintenance, Selected Administrative Activities, and Prior Audit Follow-Up
Executive Office of the Governor	Selected Administrative Activities
Fish and Wildlife Conservation Commission	Office of Inspector General's Internal Audit Activity
Florida Housing Finance Corporation	Office of Inspector General's Internal Audit Activity
Florida School for the Deaf and the Blind	Financial Statements Selected Areas of Operations
Florida State University – Northwest Regional Data Center	Data Center Operations – Information Technology

EXHIBIT C

Reports Issued or Scheduled to Be Issued Subsequent to October 31, 2019, and by March 31, 2020

State Government - Continued

<i>Audit Entity</i>	<i>Scope/Areas of Operations</i>
Office of Insurance Regulation	Financial Oversight and Market Regulation of Insurers and Selected Administrative Activities
Space Florida	Monitoring of Cooperative Agreements, Board Duties and Governance, and Selected Administrative Activities
State Board of Administration	Local Government Surplus Funds Trust Fund – Financial Statements
State of Florida	Financial Statements and Federal Awards
Triumph Gulf Coast, Inc.	Selected Areas of Operation

Educational Entities

<i>Audit Entity/Subject</i>	<i>Scope/Areas of Operations</i>
Florida Bright Futures Scholarship Program	Selected Areas of Operations
Florida Education Finance Program - Selected District School Boards and Other Entities (12)	Compliance with Reporting Requirements
Miami-Dade College Foundation	Selected Areas of Operations
Significant Findings and Financial Trends Identified in District School Board Audit Reports for the Fiscal Year Ended June 30, 2017	Significant Findings and Financial Trends Identified in District School Board Audit Reports Pursuant to Section 11.45(7)(b), Florida Statutes
School Districts	Financial and Federal Awards (46) Financial (1) Selected Areas of Operations (16) Information Technology (2)
State Colleges	Financial (28) Selected Areas of Operations (3) Information Technology (1)
State Universities	Financial (12) Selected Areas of Operations (3) Significant Financial Trends Identified in State University Financial Audit Reports for the 2017-18 Fiscal Year

Other

<i>Audit Entity/Subject</i>	<i>Scope/Areas of Operations</i>
Citrus County Board of County Commissioners - Detention Center Management Services Contract and Selected Administrative Activities	Follow-Up on Report No. 2018-007
City of Gulf Breeze	Selected Areas of Operation
City of North Miami	Follow-Up on Report No. 2018-038
City of Palm Bay	Selected Areas of Operation
Hillsborough County Aviation Authority - Tampa International Airport - 2012 Master Plan Capital Projects	Follow-Up on Report No. 2018-080

EXHIBIT C

**Reports Issued or Scheduled to Be Issued Subsequent to
October 31, 2019, and by March 31, 2020**

Other – Continued

Audit Entity/Subject	Scope/Areas of Operations
Local Governmental Entity Audit Reports	Results of Review of 2017-18 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 2017-18 Fiscal Year Audit Reports and Annual Financial Reports Reviewed Pursuant to Section 11.45(7)(f), Florida Statutes
Step Up for Students, Inc.	Selected Areas of Operation
Suwannee River Water Management District	Selected Areas of Operation
Town of Caryville	Selected Areas of Operation
Walton County Board of County Commissioners, Clerk of the Circuit Court, and Use of Funds Related to the Deepwater Horizon Oil Spill	Follow-Up on Report No. 2017-123

EXHIBIT D

NSAA PEER REVIEW REPORT



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PEER REVIEW REPORT

October 18, 2019

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

We have reviewed the system of quality control of the Florida Office of the Auditor General in effect for the period September 1, 2018 through August 31, 2019. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

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

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

In our opinion, the system of quality control of the Florida Office of the Auditor General in effect for the period September 1, 2018 through August 31, 2019 has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. **The Florida Auditor General has received a peer review rating of *pass*.**

Frank Buffington, CPA, CISA, CFE, CGAP
Concurring Reviewer
External Peer Review Team
National State Auditors Association

Ted Fugitt, CPA, CGAP
Team Leader
External Peer Review Team
National State Auditors Association

EXHIBIT E

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Karen W. Van Amburg, CPA	Citrus, Emergency Management, Financial Regulation, Financial Services, Governor, Insurance Regulation, Legal Affairs, Military Affairs, Veterans' Affairs	(850) 412-2766
Kathryn D. Walker, CPA	Citizens Property Insurance Corporation, Florida Retirement System and Other State-Administered Systems, Florida School for the Deaf and the Blind, Lottery, State Board of Administration, Statewide Financial Statement Audit	(850) 412-2781

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