Auditor General’s Role in the Florida Single Audit Act
August 12, 2016
Florida Single Audit Act

- Statutory Requirements
  - Adopt rules
  - Provide technical advice
  - Review reporting packages
- Auditor General’s Web site
Statutory Requirements

- Section 215.97(2)(a), Florida Statutes

  Every 2 years the Auditor General, after consulting with the Executive Office of the Governor, the Department of Financial Services, and all State awarding agencies, shall review the threshold amount for requiring audits under the Florida Single Audit Act (Act) and may adjust such threshold amount consistent with the purposes of the Act.
Statutory Requirements

- Section 215.97(2)(a), Florida Statutes (continued)
  - On July 1, 2016 the threshold was changed from $500,000 to $750,000 to align with Federal Single Audit Act requirements. Chapter 2016-132, Laws of Florida.
  
- Effective date of transition.
  - For entities with fiscal year ends on or before 6/30/16, threshold is $500,000.
  - For entities with fiscal year ends on or after 7/1/16, threshold is $750,000.
Statutory Requirements

- Section 215.97(2)(e), Florida Statutes
  - The “Financial Reporting Package”
    - Financial Statements
    - Schedule of Expenditures of State Financial Assistance
    - Auditor’s Reports
    - Management Letter
    - Auditee’s written responses or corrective action plan
    - Correspondence on follow up of prior years corrective actions taken.
Statutory Requirements

- Section 215.97(2)(e), Florida Statutes (continued)
  - The “Financial Reporting Package” also includes such other information determined by the Auditor General to be necessary.
    - Section 10.656, Rules of the Auditor General defines the elements of the Financial Reporting Package in more detail for nonprofit and for-profit entities.
    - Section 10.557, Rules of the Auditor General defines the elements of the Financial Reporting Package in more detail for local government entities.
Statutory Requirements

- Section 215.97(2)(x), Florida Statutes
  - The “State Single Audit” shall be conducted in accordance with the auditing standards as stated in the Rules of the Auditor General.
Statutory Requirements

- Section 215.97(12), Florida Statutes – The Auditor General shall:
  - Adopt rules that state the auditing standards that independent auditors are to follow for audits of nonstate entities required by the Act.
  - Adopt rules that describe the contents and the filing deadlines for the financial reporting package.
  - Provide technical advice upon request of the DFS and state awarding agencies relating to financial reporting and audit responsibilities in the Act.
Statutory Requirements

- Section 215.97(12), Florida Statutes – The Auditor General shall:
  - Perform ongoing reviews of a sample of “Financial Reporting Packages” for compliance with reporting requirements of the Act and AG & DFS Rules.
  - Have the authority to audit state financial assistance provided to any nonstate entity when determined necessary by the Auditor General or when directed by the Joint Legislative Auditing Committee.
  - Be provided one copy of each “financial reporting package” prepared in accordance with the Act.
Auditor General Rules

- Two requirements
  - Auditing Standards to follow
  - Filing of Financial Reporting Package
Auditor General Rules

- Auditing Standards
  - Chapter 10.650, Rules of the Auditor General – Nonprofit and For-Profit
    - 10.655 – Scope of the Florida Single Audit Act
  - Chapter 10.550, Rules of the Auditor General – Local Governments
    - 10.556 – Scope of the Financial and Florida Single Audit Act
  - Scope shall include all activities necessary to comply with the term “financial statements audit” as defined by Government Auditing Standards (GAS).
Filing of Financial Reporting Package

Chapter 10.650, Rules of the Auditor General – Nonprofit and For-Profit

10.656 – Defines the Financial Reporting Package Elements

10.657 – Delivery of Financial Reporting Package

Within 45 days after delivery of the package to the auditee, but no later than 9 months after the end of the fiscal year of the auditee
Financial Reporting Package (continued)

- Chapter 10.550, Rules of the Auditor General – Local Governments
  - 10.557 – Defines the Financial Reporting Package Elements
  - 10.558 – Delivery of Financial Reporting Package
    - Within 45 days after delivery of the package to the auditee, but no later than 9 months after the end of the fiscal year of the auditee
Technical Advice

- Auditor General Web site
  - Florida Single Audit Act Questions and Answers
  - Sample Documents
- Inquiry and Response
Reviews of Financial Reporting Package

- Two types
  - Local Government Entities
  - Nonprofit and For-Profit Entities
Local Government Entities

- Receipt of reports

- Review reports to determine based solely on threshold if required to submit a report. ($500,000 for 6/30/16 FYE or earlier, $750,000 for 7/1/16 FYE or later)
  
  - 167 entities in 2013-14 population

- Randomly select a sample of 60 reports to determine compliance with reporting requirements and rules.

- Confirm licensure of auditors with State Board of Accountancy.

- Prepare report and post to Auditor General Web site.
For all auditees with a fiscal year end between 10/31/13 and 9/30/14.

Instances of noncompliance with certain reporting requirements relating to the presentation of certain auditors’ reports and schedules. Some examples are:

- Statement as to whether there were any audit findings required to be reported in the Schedule of Findings and Question Costs not included.
- The dollar threshold identified in the Schedule of Findings and Questioned Costs to distinguish Type A and Type B State projects was calculated incorrectly.
Nonprofit and For-Profit Entities

- Receipt of reports

- Review reports to determine based solely on threshold if required to submit a report. ($500,000 for 6/30/16 or earlier, $750,000 for 7/1/16 FYE or later)
  - Approximately 250 reports per year

- Randomly select a sample of 60 reports to determine compliance with reporting requirements and rules.

- Confirm licensure of auditors with State Board of Accountancy.

- Prepare report and post to Auditor General Web site.
For all auditees with a fiscal year end between 10/31/13 and 9/30/14

Two Findings

- Timely submission of financial reporting package.
- Instances of noncompliance with certain reporting requirements relating to the presentation of certain auditors’ reports and schedules. Some examples are:
  - The Schedule of State Financial Assistance did not provide subtotals of expenditures by Catalog of State Financial Assistance number.
  - The dollar threshold identified in the Schedule of Findings and Questioned Costs to distinguish Type A and Type B State projects was calculated incorrectly.
Web site

- Rules and Guidelines Section
  - Electronic Filing Instructions
  - Chapter 10.550, Rules of the Auditor General
  - Chapter 10.650, Rules of the Auditor General
  - Submittal Checklist
  - Sample Management Letters
Web site

- **Florida Single Audit Act Section**
  - Florida Single Audit Act Question and Answers
  - Sample Documents
    - Independent Auditor’s Report on Compliance and Internal Control
    - Example Management Letters
    - Schedule of Findings and Questioned Costs
    - Summary Schedule of Prior Audit Findings
    - Laws and Rules
Contact Information

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