

1                   A bill to be entitled  
2           An act relating to special district accountability;  
3           creating s. 189.0695, F.S.; providing a definition;  
4           requiring certain independent special districts to  
5           contract with an independent entity to conduct  
6           performance audits; providing an exception; specifying  
7           the frequency of such audits; requiring the Office of  
8           Program Policy Analysis and Government Accountability  
9           to conduct performance audits of certain  
10          classifications of independent special districts;  
11          providing criteria for contracting for such audits;  
12          requiring the performance audits to be reported by a  
13          time certain; amending s. 218.32, F.S.; requiring  
14          additional information to be reported by special  
15          districts in the annual report; amending s. 218.39,  
16          F.S.; requiring certain data be included in financial  
17          audits of special districts; requiring certain  
18          community redevelopment agencies to file separate  
19          audited financial statements; conforming provisions to  
20          changes made by the act; providing an effective date.

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22   Be It Enacted by the Legislature of the State of Florida:

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24           Section 1.   Section 189.0695, Florida Statutes, is created  
25   to read:

26 189.0695 Independent special districts; performance  
27 audits.—

28 (1) The term "performance audit" has the same meaning as  
29 in s. 11.45(1).

30 (2)(a) Each independent special district as described in  
31 paragraph (c) must contract with an independent entity to  
32 conduct a performance audit of the district. The Office of  
33 Program Policy Analysis and Government Accountability must  
34 generate a list of independent entities qualified to perform the  
35 performance audit and the independent special district must  
36 select an independent entity from the list. To be included on  
37 the list, an entity must have at least 5 years of experience  
38 conducting performance audits, must conduct audits according to  
39 applicable auditing or evaluation standards of appropriate  
40 authoritative bodies, and must follow any applicable industry  
41 best practices.

42 (b) The entity's final report of the performance audit  
43 must be filed with the governing board of the district, the  
44 Auditor General, the President of the Senate, and the Speaker of  
45 the House of Representatives no later than 9 months from the  
46 beginning of the district's fiscal year according to the  
47 schedule provided in paragraph (c). However, a performance audit  
48 of a district conducted by the Auditor General during the same  
49 fiscal year in which a performance audit is due pursuant to  
50 paragraph (c) qualifies as that district's scheduled performance

51 audit under this section.

52 (c)1. Beginning October 1, 2021, and every 5 years  
53 thereafter, each independent special fire control district as  
54 defined in s. 191.003, must have a performance audit conducted.

55 2. Beginning October 1, 2022, and every 5 years  
56 thereafter, each hospital licensed under chapter 395 which is  
57 governed by the governing body of a special district as defined  
58 in s. 189.012 or by the board of trustees of a public health  
59 trust created under s. 154.07, must have a performance audit  
60 conducted.

61 (3) The Office of Program Policy Analysis and Government  
62 Accountability must conduct a performance audit of all  
63 independent special districts within the classifications  
64 described in paragraphs (a) and (b). The performance audit must  
65 compare the services provided by each district examined with  
66 similar services provided by the county and municipal  
67 governments wholly or partially within the boundaries of the  
68 district, expressly stating the similarities and differences,  
69 and relative costs and efficiencies, between the services  
70 provided by the district and those provided by the relevant  
71 counties and municipalities. The Office of Program Policy  
72 Analysis and Government Accountability shall submit the final  
73 report of the performance audit to the President of the Senate  
74 and the Speaker of the House of Representatives as follows:

75 (a) For all independent mosquito control districts as

76 defined in s. 388.011, no later than September 30, 2023.

77 (b) For all soil and water conservation districts as  
78 defined in s. 582.01, no later than September 30, 2024.

79 Section 2. Paragraph (e) of subsection (1) of section  
80 218.32, Florida Statutes, is amended to read:

81 218.32 Annual financial reports; local governmental  
82 entities.—

83 (1) (e) 1. Each local governmental entity that is not  
84 required to provide for an audit under s. 218.39 must submit the  
85 annual financial report to the department no later than 9 months  
86 after the end of the fiscal year. The department shall consult  
87 with the Auditor General in the development of the format of  
88 annual financial reports submitted pursuant to this paragraph.  
89 The format must include balance sheet information used by the  
90 Auditor General pursuant to s. 11.45(7)(f). The department must  
91 forward the financial information contained within the annual  
92 financial reports to the Auditor General in electronic form.  
93 This paragraph does not apply to housing authorities created  
94 under chapter 421.

95 2. The annual financial report filed by a dependent  
96 special district or an independent special district shall  
97 specify separately:

98 a. The total number of district employees.

99 b. The amounts budgeted by the district for employee  
100 salaries and the amounts budgeted for employee benefits.

101 c. Each construction project approved by the district to  
102 begin after October 1 of the fiscal year being reported together  
103 with the amount budgeted for such project.

104 3. The annual financial report of an independent special  
105 district that imposes ad valorem taxes shall include the millage  
106 rate or rates imposed by the district, the total amount of ad  
107 valorem taxes collected by or on behalf of the district, and the  
108 total amount of outstanding bonds issued by the district and the  
109 terms of such bonds.

110 4. The annual financial report of an independent special  
111 district that imposes non-ad valorem special assessments shall  
112 include the rate or rates of such assessments imposed by the  
113 district, the total amount of special assessments collected by  
114 or on behalf of the district, and the total amount of  
115 outstanding bonds issued by the district and the terms of such  
116 bonds.

117 Section 3. Paragraph (h) of subsection (1) of section  
118 218.39, Florida Statutes, is redesignated as paragraph (i), a  
119 new paragraph (h) is added to that subsection, and subsection  
120 (3) of that section is amended to read:

121 218.39 Annual financial audit reports.—

122 (1) If, by the first day in any fiscal year, a local  
123 governmental entity, district school board, charter school, or  
124 charter technical career center has not been notified that a  
125 financial audit for that fiscal year will be performed by the

126 Auditor General, each of the following entities shall have an  
 127 annual financial audit of its accounts and records completed  
 128 within 9 months after the end of its fiscal year by an  
 129 independent certified public accountant retained by it and paid  
 130 from its public funds:

131 (h) As required by s. 163.387(8)(a), each community  
 132 redevelopment agency with revenues or a total of expenditures  
 133 and expenses in excess of \$100,000, as reported on the trust  
 134 fund financial statements.

135 (3)(a) A dependent special district, excluding a community  
 136 redevelopment agency with revenues or a total of expenditures  
 137 and expenses in excess of \$100,000, as reported on the trust  
 138 fund financial statements, may provide for an annual financial  
 139 audit by being included in the audit of the local governmental  
 140 entity upon which it is dependent. An independent special  
 141 district may not make provision for an annual financial audit by  
 142 being included in the audit of another local governmental  
 143 entity.

144 (b) A special district that is a component unit, as  
 145 defined by generally accepted accounting principles, of a local  
 146 governmental entity shall provide the local governmental entity,  
 147 within a reasonable time period as established by the local  
 148 governmental entity, with financial information necessary to  
 149 comply with this section. The failure of a component unit to  
 150 provide this financial information must be noted in the annual

151 financial audit report of the local governmental entity.

152 (c) The financial audit of a dependent special district or  
153 of an independent special district, or the financial audit of a  
154 local governmental entity including the information of a  
155 dependent special district as provided in paragraph (a) of this  
156 subsection, shall separately include and specify the information  
157 required in s. 218.32(1)(e)2.-4.

158 Section 4. This act shall take effect October 1, 2021.