STATE OF FLORIDA
AUDITOR GENERAL

LOCAL GOVERNMENT
AUDIT REPORT REVIEW GUIDELINES

EFFECTIVE FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2026

Local Government Audit Report Review Guidelines
Effective for the Fiscal Year Ended September 30, 2026

The following acronyms have been used to cite authoritative reference materials in this document:

AG - *Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits*, effective for the fiscal year ended September 30, 2026.

AAG-GAS - *Audit Guide – Government Auditing Standards and Single Audits* promulgated by the American Institute of Certified Public Accountants, effective for the fiscal year ended September 30, 2026.

AAG-SLG - *Audit and Accounting Guide – State and Local Governments* promulgated by the American Institute of Certified Public Accountants, effective for the fiscal year ended September 30, 2026.

AU-C; AT-C - *AICPA Professional Standards* promulgated by the American Institute of Certified Public Accountants, effective for the fiscal year ended September 30, 2026.

GAS - *Government Auditing Standards* (2018 Revision) issued by the Comptroller General of the United States.

GASB - *Codification of Governmental Accounting and Financial Reporting Standards* promulgated by the Governmental Accounting Standards Board, effective for the fiscal year ended September 30, 2026.

Section 11.45(7)(b), Florida Statutes, requires that the Auditor General review all local governmental entity audit reports submitted pursuant to Section 218.39, Florida Statutes. The guidelines below are designed to aid in fulfilling this responsibility and can also assist in conducting the audit. These guidelines require the exercise of individual professional judgment and may require some modification based on the circumstances of individual engagements. Users of these guidelines should be knowledgeable of applicable laws, rules, and auditing, attestation, and financial reporting standards and their respective effective dates.

GENERAL

1. Does the audit report indicate that the audit was performed by a certified public accountant? (Section 218.39(1), Florida Statutes)

2. Was the audit report delivery date to the auditee indicated by the auditee in correspondence accompanying the audit report submitted to the Auditor General? (Section 10.558(4), Rules of the Auditor General) **NOTE:** Including the audit report delivery date on the Auditor General's Local Governmental Entity Audit Report Submittal Checklist will satisfy this requirement.

3. Was the audit report filed within 45 days after delivery of the audit report to the auditee but no later than 9 months after the auditee's fiscal year-end? (Section 218.39(7), Florida Statutes, and Section 10.558(4), Rules of the Auditor General)

4. Is the audit report a single document in accordance with Section 10.557(3), Rules of the Auditor General?

5. Does the audit report present audit findings (contained in the report on internal control and compliance, management letter, or schedule of findings and questioned costs, as applicable) that include the following elements of (a) criteria (what should be); (b) condition (what is); (c) cause (why it happened): (d) effect or potential effect (the difference between what is and what should be); (e) an appropriate recommendation: (f) views of responsible officials and, if applicable, an explanation as to why the auditor disagrees with views of responsible officials when there is disagreement with the audit finding; and (g) a reference number? (AAG-GAS 4.57, .61, .64-.66, 13.42-.44; GAS 6.25-.28, .58, .59; Section 10.557(4)(b), Rules of the Auditor General)

6. Does the audit report place findings (contained in the report on internal control and compliance, management letter, or schedule of findings and questioned costs, as applicable) in the proper perspective (or context) by describing the work that resulted in the finding? (AAG-GAS 4.62, 13.42g; GAS 6.51; Section 10.557(4)(b)4., Rules of the Auditor General) **NOTE**: To give the reader a basis to judge the prevalence and consequences of the findings, auditors should, as appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value or other measures. If the results cannot be projected, auditors should limit their conclusions appropriately.

7. Does the audit report include a written statement of explanation or rebuttal concerning the auditor's findings (contained in the report on internal control and compliance, management letter, or schedule of findings and questioned costs, as applicable), including auditor's reference number assigned, and corrective actions to be taken? (Section 218.39(6), Florida Statutes; AAG-GAS 4.67-.68; GAS 6.57-.58; Sections 10.557(3)(l) and 10.558(2), Rules of the Auditor General)

8. Does the audit report include a management's discussion and analysis (MD&A)? (GASB Section 2200.102a.; AAG-SLG 2.08-2.10; Section 10.557(3)(h), Rules of the Auditor General)

9. Does the audit report include the basic financial statements (i.e., government-wide financial statements, fund financial statements, and notes to the financial statements)? **NOTE:** For the separate audits of boards of county commissioners and other county agencies, the basic financial statements are the fund financial statements. Reporting options allowed by generally accepted accounting principles shall be applied consistently for the countywide and individual county agency financial statements, and among the county agencies within a particular county. (GASB Section 2200.102b.; AAG-SLG 2.11-.48; Sections 10.556(3) and (4) and 10.557(3) (i), Rules of the Auditor General)

10. Are the financial statements mathematically correct?

11. Do ending fund balances or net position shown in the preceding year's financial statements agree with the beginning fund balances or net position shown in the current year's financial statements or, if not, are material differences explained in the notes?

12. Do account balances agree among the financial statements (e.g., interfund receivables with interfund payables; interfund transfers in with interfund transfers out; operating income on statement of revenues, expenses, changes in net position with operating income on statement of cash flows; fund balance or net position amounts on operating statements with fund balance or net position amounts on balance sheets or statements of net position)?

13. Do totals on supporting schedules in notes to financial statements agree with corresponding account totals on the financial statements?

14. Does the audit report include required supplementary information other than MD&A, including the required budgetary comparison information (if not presented as part of the basic financial statements)? (GASB Section 2200.102c.; AAG-SLG 2.54-.57; Sections 10.556(3), 10.556(4), and 10.557(3)(k), Rules of the Auditor General)

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

15. Is there an independent auditor's report on the basic financial statements based on an audit performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States? (GAS 6.01; AU-C 700.22-.43, 800.18; AAG-SLG 16.01-.03; Section 10.557(3)(b), Rules of the Auditor General) **NOTE:** Auditor's reports on county agency financial statements (i.e., financial statements that do not constitute a complete presentation of a county, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles) should be prepared in accordance with Statement on Auditing Standards Section AU-C 805 (Section 10.557(4)(a), Rules of the Auditor General).

AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

16. Is there an independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States? (GAS 6.39-.49; AAG-GAS 4.54 and 4.92 (examples 4-3 through 4-9); Section 10.557(3)(b) Rules of the Auditor General)

EXAMINATION REPORT

17. Is there a report based on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants, regarding the compliance requirements referenced in Section 10.556(10) Rules of the Auditor General?

AUDITOR'S MANAGEMENT LETTER

18. Is there an independent auditor's management letter as required by Section 218.39(4), Florida Statutes, and Section 10.557(3)(g), Rules of the Auditor General? **NOTE:** For counties, a management letter is required for the county as a whole and for each county agency for which a separate audit was conducted pursuant to Section 218.39(2), Florida Statutes. The management letter for the county as a whole must include all the elements of a management letter as prescribed in Section 10.554(1)(i), Rules of the Auditor General, while the separate county agency management letters must include all the elements of a management letter as prescribed in Section 10.554(1)(i) Rules of the Auditor General, except for those elements prescribed in Section 10.554(1)(i)5 through 9, Rules of the Auditor General. For those findings that are specific to a particular county agency, the management letter for the county as a whole may make reference to the separate county agency management letters rather than duplicating such findings included in the separate county agency management letters.

Does the auditor's management letter include, as applicable:

19. A statement as to whether or not findings and recommendations made in the preceding financial audit report, not otherwise addressed in auditor's reports prepared pursuant to Section 10.557(3)(b), (c), and (d), Rules of the Auditor General. If an audit finding in the preceding financial audit report is uncorrected, the auditor must determine whether the finding was also included in the second preceding fiscal year financial audit report. Uncorrected findings in the current fiscal year audit report must cite the finding reference numbers in the preceding and, as applicable, the second preceding fiscal year financial audit reports. (Section 10.554(1)(i)1., Rules of the Auditor General)

20. Recommendations to improve the entity's financial management? (Section 10.554(1)(i)2., Rules of the Auditor General)

21. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance? Note: Fraud, noncompliance with provisions of laws or regulations and contracts or grants agreements, or abuse that does not warrant the attention of those charged with governance, or internal control deficiencies that are not material weaknesses or significant deficiencies may be reported in the management letter based on professional judgement. (Section 10.554(1)(i)3., Rules of the Auditor General)

22. The name or official title and legal authority for the primary government and each component unit of the reporting entity as defined in publications cited in Section 10.553, Rules of the Auditor General, unless disclosed in the notes to financial statements? (Section 10.554(1)(i)4., Rules of the Auditor General) **NOTE:** Legal authority includes the general law, special acts, ordinances, resolutions, or other means by which the local governmental entity was created and is governed. For county agencies, legal authority disclosure shall include a reference to a county charter, if applicable.

23. For counties as a whole, municipalities, and dependent special districts, information required by Section 10.554(1)(i)(6), Rules of the Auditor General regarding any Property Assessed Clean Energy (PACE) programs.

24. For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district, specific information required by Section 10.554(1)(i)7, Rules of the Auditor General.

25. For an independent special district that imposes ad valorem taxes, specific information required by Section 10.554(1)(i)8, Rules of the Auditor General.

26. For an independent special district that imposes non-ad valorem special assessments, specific information required by Section 10.554(1)(i)9, Rules of the Auditor General.

27. For water management districts only, a statement describing the results of the auditor's determination as to whether or not the district: (Section 10.554(1)(i)10.a-c, Rules of the Auditor General)

    - Provided monthly financial statement(s) to its governing board and posted the monthly financial statement(s) on its Web site? (Sections 215.985(11) and 373.536(4)(e), Florida Statutes)
    - Provided a link on its Web site to the Florida Department of Financial Services' Web site to allow viewing of the district's annual financial report? (Section 218.32(1)(g), Florida Statutes.)
    - Posted its tentative and final budgets on its Web site. (Section 373.536(5)(d) and (6)(d), Florida Statutes.)

Items 28 through 31 apply to counties as a whole, municipalities, and special districts. Does the auditor's management letter include:

28. A statement describing the results of the auditor's determination as to whether or not the auditee met one or more of the specific conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met? (Section 10.554(1)(i)5.a., Rules of the Auditor General)

29. A statement that the auditor applied financial condition assessment procedures pursuant to Section 10.556(8), Rules of the Auditor General? (Section 10.554(1)(i)5.b.1., Rules of the Auditor General)

30. If deteriorating financial conditions are noted, a statement that the local governmental entity's financial condition is deteriorating and a description of conditions causing the auditor to make this conclusion? (Section 10.554(1)(i)5.b.2, Rules of the Auditor General)

31. If the auditor reported that the local governmental entity met one or more of the conditions specified in Section 218.503(1), Florida Statutes, a statement as to whether such condition(s) resulted from deteriorating financial condition(s)? **NOTE:** Findings regarding deteriorating financial condition(s) must be prepared in accordance with Section 10.557(4)(b), Rules of the Auditor General. (Section 10.554(1)(i)5.b.2., Rules of the Auditor General)

32. If appropriate, a statement indicating the failure of a special district that is a component unit of a county, municipality, or special district, to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of the county, municipality, or special district? (Section 10.554(1)(i)5.c., Rules of the Auditor General)

FEDERAL AWARDS

33. If Federal awards were expended in an amount ($1,000,000 or more) that requires an audit pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Subpart F, is there evidence that the entity's major Federal awards programs were audited? (2 CFR Part 200.501(b))

STATE FINANCIAL ASSISTANCE

34. If State financial assistance was expended in an amount ($750,000 or more) that requires an audit pursuant to the Florida Single Audit Act, is there evidence that the entity's major State projects were audited? (Section 215.97(2)(a), Florida Statutes; Section 10.554(1)(b), Rules of the Auditor General)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

35. Does the audit report include a schedule of expenditures of Federal awards and/or State financial assistance? (AAG-GAS 7.01, 06, .22-.23; Department of Financial Services Rule 69I-5.003, Florida Administrative Code; Section 10.557(3)(d) and (e)1., Rules of the Auditor General) **NOTE:** The Schedule of Expenditures of State Financial Assistance must be combined with the Schedule of Expenditures of Federal Awards, when applicable.

AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS/STATE FINANCIAL ASSISTANCE

36. Is there an independent auditor's report on the schedule of expenditures of Federal awards and/or State financial assistance (schedule)? (AAG-GAS 5.06; Section 215.97(10)(b) and (e), Florida Statutes; Section 10.557(3)(d) and (e)2., Rules of the Auditor General) **NOTE:** The auditor has the option of including the opinion on the schedule of expenditures of Federal awards in either the independent auditor's report on the basic financial statements and schedule of expenditures of Federal awards (if the schedule is presented with the basic financial statements) or the report on compliance for each major program and on internal control over compliance in accordance with 2 CFR, Part 200, Subpart F (if, instead, a separate single audit package is issued). However, pursuant to Section 10.557(3), Rules of the Auditor General, the schedule must be presented with the basic financial statements in a single document. (AAG-GAS 13.11)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM/STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

37. Is there a report on compliance for each major Federal program/State project and on internal control over compliance? (2 CFR Part 200.515(b) and (c); AAG-GAS 13.21; Section 215.97(10)(e) and (11)(d), Florida Statutes; Section 10.557(3)(d) and (e)3., Rules of the Auditor General)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

38. Is there a schedule of findings and questioned costs for Federal programs and/or State projects? **NOTE:** The auditor's summary may be presented in narrative or short-form tabular format. (2 CFR Part 200.515(d); AAG-GAS 13.34-.35; Section 215.97(10)(e) and (11)(d), Florida Statutes; Sections 10.554(1)(l) and 10.557(3)(d) and (e)4., Rules of the Auditor General)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

39. If applicable, is there a summary schedule of prior audit findings for Federal programs and/or State projects? (2 CFR Part 200.511(b); AAG-GAS 13.51-.55; Sections 10.554(1)(m), and 10.557(3)(d) and (e)5., Rules of the Auditor General) **NOTE:** The summary schedule of prior audit findings reports the status of any audit findings included in the prior audit's Schedule of Findings and Questioned Costs relating to Federal awards/State financial assistance. The schedule should also include audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected or no longer valid or not warranting further action. The schedule must include the reference number required by Section 10.557(4)(b)7, Rules of the Auditor General. Since the schedule may include audit findings from multiple years, it must include the fiscal year in which the finding initially occurred and each subsequent fiscal year the finding repeated.