

**SAMPLE MANAGEMENT LETTER – COUNTIES AS A WHOLE, MUNICIPALITIES, &  
SPECIAL DISTRICTS (Revised September 2009)**

**(AUDITOR’S LETTERHEAD)**

Honorable (*Board of Directors, Commissioners, Council Members, or other title as appropriate*)(name of entity), Florida.

We have audited the financial statements of the (name of entity), Florida, as of and for the fiscal year ended September 30, 20XX, and have issued our report thereon dated \_\_\_\_\_, 20XX. (*If the auditor's report on the financial statements includes any departures from an unqualified opinion, disclose such departures in the management letter.*)

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and (*if applicable*) OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated \_\_\_\_\_, 20XX, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report (**except as noted below under the heading Prior Year Findings and Recommendations - use when appropriate**). (*If there were no recommendations made in the preceding audit report, state such in the management letter.*)
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the (name of entity) complied with Section 218.415, Florida Statutes. (*If the entity did not comply with Section 218.415, Florida Statutes, revise language as appropriate and describe the nature of the noncompliance.*)
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations (**or, if applicable, state the recommendations**).
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit,

we did not have any such findings (*or, if applicable, state the findings and recommendations*).

- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings (*or, if applicable, state the findings and recommendations*).
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The (name of entity) was established by (*insert appropriate reference to the specific legal authority that established the entity*). The (name of entity) included the following component units: (*Identify by name each component unit and the specific legal authority for its creation. If there were no component units related to the entity, state such in the management letter. Information regarding the specific legal authority for the entity and its component units, if any, is only required to be in the management letter if not already disclosed in the notes to the financial statements, although disclosure of such information in the notes to the financial statements is preferable. If applicable, Section 10.554(1)(i)7.d., Rules of the Auditor General, requires a statement indicating the failure of a special district that is a component unit of a county, municipality, or special district, to provide the 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)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the (name of entity) did not meet any of the conditions described in Section 218.503(1), Florida Statutes. (*If the entity met any of the conditions in Section 218.503(1), Florida Statutes, revise the language as appropriate and specify in the management letter which of the conditions described in Section 218.503(1), Florida Statutes, were met and state whether or not the condition resulted from a deteriorating financial condition, as defined in Rule 10.554(1)(f), Rules of the Auditor General. If there has been an unreserved or total fund balance deficit or unrestricted or total net assets deficit reported on the fund financial statements, the management letter should describe accounting practices that places the deficit in the proper perspective. For example, if there are sufficient resources of the local governmental entity available to cover the deficit, as reported on the balance sheet or statement of net assets on the fund financial statements, the management letter should identify the specific resources or refer to a finding in the audit report that identifies the resources.*)
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the (name of entity) for the fiscal year ended September 30, 20XX, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 20XX. In connection with our audit, we determined that these two reports were in agreement. (*Provide explanations for any significant differences that exist. The management letter cannot be completed until the annual financial report is complete.*)

- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the ***(name of entity's)*** financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. ***(Note: If the financial condition assessment procedures disclose that the local governmental entity's overall financial condition is deteriorating, include a statement to that effect and a description of conditions causing the auditor to make this conclusion. Findings regarding deteriorating financial condition shall be prepared in accordance with Section 10.557(4)(d), Rules of the Auditor General. The auditor may want to make a statement that the assessment was done as of the fiscal year end.)***

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General (***refer to other governmental agencies if appropriate***), and is not intended to be and should not be used by anyone other than these specified parties.

***(name of CPA firm)***

***(date of management letter)***

***[NOTE: This example management letter for counties as a whole, municipalities, and special districts is intended to provide guidance concerning the preparation of a management letter pursuant to Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. It should be amended as appropriate based on the auditor's professional judgment regarding the particular circumstances of the audit and changes to Government Auditing Standards and/or Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits.]***