

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. **20030379**

1. REQUESTED MOTION:

ACTION REQUESTED:

Present to the Board of County Commissioners the Independent Auditors' Management Letter for the fiscal year ended September 30, 2002.

WHY ACTION IS NECESSARY:

Per Section 218.391, Florida Statutes, a copy of the report shall be submitted to the Board of County Commissioners and filed as permanent public record in the Minutes Office of the Clerk.

WHAT ACTION ACCOMPLISHES:

Compliance with Chapter 10.550 "Rules of the Auditor General- Local Governmental Entity Audits", and Section 218.391, Florida Statutes.

2. DEPARTMENTAL CATEGORY:

C15B

3. MEETING DATE:

04-08-2003

4. AGENDA:

CONSENT

ADMINISTRATIVE

APPEALS

PUBLIC

WALK ON

TIME REQUIRED:

**5. REQUIREMENT/PURPOSE:
(Specify)**

STATUTE 218.391

ORDINANCE

ADMIN.
CODE

OTHER Chapter 10.550

6. REQUESTOR OF INFORMATION:

A. COMMISSIONER

B. CONSTITUTIONAL OFFICE Clerk of
Circuit Court

C. DEPARTMENT Finance & Records
Department

BY: Donna G. Harn



7. BACKGROUND:

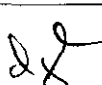
The purpose of the Lee County Independent Auditors' Management Letter is to provide recommendations to improve the County's present financial management, accounting procedures, and internal control structure.

The Auditors' Management Letter was prepared by KPMG LLP for the fiscal year ended September 30, 2002.

KPMG had no recommendations to improve Lee County's financial management, accounting procedures, or internal controls.

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
					OA	OM	Risk	GC	
									

10. COMMISSION ACTION:

- _____ APPROVED
- _____ DENIED
- _____ DEFERRED
- _____ OTHER



111 North Orange Avenue, Suite 1600
P.O. Box 3031
Orlando, FL 32802

February 7, 2003

To the Board of County Commissioners
Lee County, Florida:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Lee County, Florida (County) as of and for the year ended September 30, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 7, 2003, which referred to the reports of other auditors and referred to a restatement of beginning net assets. In planning and performing our audit of the financial statements of Lee County, Florida we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

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. We have issued our Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosure in those reports, which are dated February 7, 2003, 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. Those rules (Section 10.554(1)(g)1.a.) require that we address in the management letter, if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs, whether or not inaccuracies, shortages, defalcations, fraud, and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, shortages, defalcations, fraud or violations of laws, rules, regulations, or contractual provisions reported in the preceding annual financial audit.

The Rules of the Auditor General (Section 10.554(1)(g)1.b.) require that we address in the management letter, if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed. All of the recommendations in the preceding annual financial audit report have been addressed.



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The Rules of the Auditor General (Section 10.554(1)(g)3.), require that we report any recommendations to improve Lee County, Florida's financial management, accounting procedures, and internal controls. There are no recommendations to improve Lee County, Florida's financial management, accounting procedures, and internal controls.

The Rules of the Auditor General (Section 10.554(1)(g)4.) require disclosure in the management letter of the following matters if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs:

- a) Violations of laws, rules, regulations, and contractual provisions that have occurred, or were likely to have occurred, and were discovered within the scope of the audit,
- b) Improper or illegal expenditures discovered within the scope of the audit that may or may not materially affect the financial statements,
- c) Other matters requiring correction that may or may not materially affect the financial statements reported on, including, but not limited to:
 1. Improper or inadequate accounting procedures (e.g. the omission of required disclosures from the annual financial statements).
 2. Failures to properly record financial transactions.
 3. Other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

The results of our audit disclosed no items requiring disclosure.

The Rules of the Auditor General (Section 10.554(1)(g)5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The disclosure of required information for the primary government and the discretely presented component unit is made in the notes to the financial statements.

This management letter is intended solely for the information of Lee County, Florida, management, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP