To all auditors of charter schools, charter technical career centers, and charter sponsors:

In prior years, we accepted audit reports that encompassed multiple charters under the condition that the audit report provided financial statements in accordance with generally accepted accounting principles for each charter school. Although the auditor’s report on internal control and compliance, and management letter, were for the combined schools and not the individual schools, we accepted these under the assumption that audit procedures and judgments pertaining to control risk assessment, testing, and classification of control deficiencies, etc., were made at the individual charter school level. Otherwise, the combined audit would not constitute an audit of each charter school as required by Section 218.39, Florida Statutes.

Because of the increased accountability over charter schools provided by Chapter 2009-214, Laws of Florida, including newly created Section 1002.345(1)(a), Florida Statutes, which states that a charter school failing to provide for an audit is subject to an expedited review, we are now of the opinion that separate audit reports should be prepared for each charter school. For purposes of this requirement, we have interpreted a “charter school” to mean that which is authorized under a single charter (see Section 1002.33(7)(a)1., Florida Statutes). However, municipal charter schools designated as one charter school for purposes of Section 1002.33, Florida Statutes, as authorized by Section 1002.33(15)(c), Florida Statutes, may submit one combined audit encompassing all charters granted.

As most charter schools have probably already contracted with CPA firms for 2009-10 fiscal year audits, we are implementing this requirement effective for the 2010-11 fiscal year audits. However, we encourage charter schools to consider providing for a separate audit for each charter school (as defined above) for the 2009-10 fiscal year. If audit procedures and judgments were made at the individual charter school level, it should not require significant effort to provide for separate audit reports.

Please review the charter(s) issued for a determination as to how many separate audits are required.

If you have any questions, please contact:

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