

## MUNICIPAL MARKETS

# New Controls on Florida Municipalities

By Jane Sutton

MIAMI (Reuter) — Florida municipalities have been receptive to a new law requiring them to adopt internal controls to prevent bad investments, fraud and misuse of public money, an official with the Government Finance Officers Association said Wednesday.

The requirement took effect Monday as part of an investment law Gov. Lawton Chiles signed in July.

"I think most people are generally trying to comply with it. I've received a lot of phone calls asking for copies of our controls manual," said Steven Alexander treasury manager in Orange County, Fla., and chairman of the Florida GFOA's treasury committee. The law applies to cities, coun-

ties and municipal bond issuing authorities. It requires them to adopt checks and balances to eliminate the concentration of power that led to investment losses in Orange County, Calif., and Escambia County, Fla.

Municipalities may adopt their own rules, but Alexander said many have patterned theirs after

### The law requires municipalities to adopt checks and balances to eliminate concentrations of power.

the ones used for years in Orange County, Fla., which encompasses Orlando.

"The meat of it is really documentation, so there's really a complete audit trail," Alexander told Reuters. "There is also a separa-

tion of controls and duties as you play, which just means more cost to the whole operation," Alexander said.

GFOA has conducted training sessions around the state to educate municipal officials about the law and has distributed a sample manual. The major accounting firms have also held internal training classes for auditors who will review the rules and check for compliance, Alexander said. ■

### World Trade Center Sale

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The authority oversees major bridges and tunnels between the two states, three major airports and various real estate holdings.

Under George Marlin, its executive director appointed last spring by the bi-state governors, the authority has begun to explore ways to divest itself of real estate, cut

### Disclosure Brochure

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to address the SEC requirement that municipal bond dealers have "procedures in place provide reasonable assurance (the dealer) will receive prior notice of" the events issuers disclose in material event notices to nationally recognized municipal securities information repositories (NRMSIRs).

The portion of the rule governing dealers' procedures took effect Jan. 1.

"These 'Question and Answer' reflect the input of municipal professionals from both large and regional firms throughout the country, from the public finance to the trading desk, to ensure firms will meet their compliance obligations in this new era of increased secondary market disclosure," PSA President Hee Ruth said in the release. "His long sought improvements in disclosure, the industry has worked hard to put systems in place

### Public Funds Told to Report Holdings at Fair Value

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