

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED \_\_\_\_\_ (Y/N)  
ADOPTED AS AMENDED \_\_\_\_\_ (Y/N)  
ADOPTED W/O OBJECTION \_\_\_\_\_ (Y/N)  
FAILED TO ADOPT \_\_\_\_\_ (Y/N)  
WITHDRAWN \_\_\_\_\_ (Y/N)  
OTHER

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1 Committee/Subcommittee hearing bill: Government Accountability  
2 Committee

3 Representative Raulerson offered the following:

4

5 **Amendment (with directory and title amendments)**

6 Remove lines 61-339 and insert:

7 (3)

8 (b) The inspector general shall report to and be under the  
9 general supervision of the agency head and is not subject to  
10 supervision by any other employee of the state agency in which  
11 the office is established. For state agencies under the  
12 jurisdiction of the Governor, the inspector general shall be  
13 under the general supervision of the agency head for  
14 administrative purposes, shall report to the Chief Inspector  
15 General, and may hire and remove staff within the office of the  
16 inspector general in consultation with the Chief Inspector

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17 General but independently of the agency. Any staff member  
18 employed within the office of an inspector general is included  
19 in the Selected Exempt Service as provided in chapter 110.  
20 Agency inspectors general are included in the Senior Management  
21 Service as provided in chapter 110.

22 (4) (a) To ensure that state agency audits are performed in  
23 accordance with applicable auditing standards, the inspector  
24 general or the director of auditing within the inspector  
25 general's office shall possess the following qualifications:

26 1. A bachelor's degree from an accredited college or  
27 university with a major in accounting, or with a major in  
28 business which includes five courses in accounting, and 5 years  
29 of experience as an internal auditor or independent postauditor,  
30 information technology ~~electronic data processing~~ auditor,  
31 accountant, or any combination thereof. The experience shall at  
32 a minimum consist of audits of units of government or private  
33 business enterprises, operating for profit or not for profit; or

34 2. A master's degree in accounting, business  
35 administration, or public administration from an accredited  
36 college or university and 4 years of experience as required in  
37 subparagraph 1.; or

38 3. A certified public accountant license issued pursuant  
39 to chapter 473 or a certified internal audit certificate issued  
40 by the Institute of Internal Auditors or earned by examination,  
41 and 4 years of experience as required in subparagraph 1.

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42 (b) For agencies under the jurisdiction of the Governor,  
43 the inspector general shall be selected on the basis of  
44 integrity, leadership capability, and experience in accounting,  
45 auditing, fraud examination, financial analysis, law, management  
46 analysis, program evaluation, public administration,  
47 investigation, criminal justice administration, or other closely  
48 related field. The inspector general is subject to a level 2  
49 background screening pursuant to chapter 435. The inspector  
50 general shall have a 4-year degree from an accredited  
51 institution of higher learning or have at least 5 years of  
52 experience in at least one of the following areas:

- 53 1. Inspector general.
- 54 2. Supervisory experience in an office of inspector  
55 general or an investigative public agency similar to an office  
56 of inspector general.
- 57 3. Local, state, or federal law enforcement officer.
- 58 4. Local, state, or federal court judge.
- 59 5. Senior-level auditor or comptroller.
- 60 6. The administration and management of complex audits and  
61 investigations.
- 62 7. Managing programs for information security, prevention,  
63 examination, detection, elimination of fraud, waste, abuse,  
64 mismanagement, malfeasance, or misconduct in government or other  
65 organizations.

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67 An advanced degree in law, accounting, public administration, or  
68 other relevant field may substitute for 1 year of required  
69 experience.

70 (6) In carrying out the auditing duties and  
71 responsibilities of this section ~~act~~, each inspector general  
72 shall review and evaluate internal controls necessary to ensure  
73 the fiscal accountability of the state agency. The inspector  
74 general shall conduct financial, compliance, information  
75 technology ~~electronic data processing~~, and performance audits of  
76 the agency and prepare audit reports of his or her findings. The  
77 scope and assignment of the audits shall be determined by the  
78 inspector general; however, the agency head may at any time  
79 request the inspector general to perform an audit of a special  
80 program, function, or organizational unit. The performance of  
81 the audit shall be under the direction of the inspector general,  
82 except that if the inspector general does not possess the  
83 qualifications specified in subsection (4), the director of  
84 auditing shall perform the functions listed in this subsection.

85 (a) Such audits shall be conducted in accordance with the  
86 current International Standards for the Professional Practice of  
87 Internal Auditing as published by the Institute of Internal  
88 Auditors, Inc., or, where appropriate, in accordance with  
89 generally accepted governmental auditing standards. All audit  
90 reports issued by internal audit staff shall include a statement  
91 that the audit was conducted pursuant to the appropriate

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92 standards.

93 (b) Audit workpapers and reports shall be public records  
94 to the extent that they do not include information which has  
95 been made confidential and exempt from the provisions of s.  
96 119.07(1) pursuant to law. However, when the inspector general  
97 or a member of the staff receives from an individual a complaint  
98 or information that falls within the definition provided in s.  
99 112.3187(5), the name or identity of the individual may not be  
100 disclosed to anyone else without the written consent of the  
101 individual, unless the inspector general determines that such  
102 disclosure is unavoidable during the course of the audit or  
103 investigation.

104 (c) The inspector general and the staff shall have access  
105 to any records, data, and other information of the state agency  
106 he or she deems necessary to carry out his or her duties. The  
107 inspector general may also request such information or  
108 assistance as may be necessary from the state agency or from any  
109 federal, state, or local government entity.

110 (d) At the conclusion of each audit, the inspector general  
111 shall submit preliminary findings and recommendations to the  
112 person responsible for supervision of the program function or  
113 operational unit who shall respond to any adverse findings  
114 within 20 working days after receipt of the preliminary  
115 findings. Such response and the inspector general's rebuttal to  
116 the response shall be included in the final audit report.

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117 (e) At the conclusion of an audit in which the subject of  
118 the audit is a specific entity contracting with the state or an  
119 individual substantially affected, if the audit is not  
120 confidential or otherwise exempt from disclosure by law, the  
121 inspector general shall, consistent with s. 119.07(1), submit  
122 the findings to the entity contracting with the state or the  
123 individual substantially affected, who shall be advised in  
124 writing that they may submit a written response within 20  
125 working days after receipt of the findings. The response and the  
126 inspector general's rebuttal to the response, if any, must be  
127 included in the final audit report.

128 (f) The inspector general shall submit the final report to  
129 the agency head, the Auditor General, and, for state agencies  
130 under the jurisdiction of the Governor, the Chief Inspector  
131 General.

132 (g) The Auditor General, in connection with the  
133 independent postaudit of the same agency pursuant to s. 11.45,  
134 shall give appropriate consideration to internal audit reports  
135 and the resolution of findings therein. The Legislative Auditing  
136 Committee may inquire into the reasons or justifications for  
137 failure of the agency head to correct the deficiencies reported  
138 in internal audits that are also reported by the Auditor General  
139 and shall take appropriate action.

140 (h) The inspector general shall monitor the implementation  
141 of the state agency's response to any report on the state agency

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142 issued by the Auditor General or by the Office of Program Policy  
143 Analysis and Government Accountability. No later than 6 months  
144 after the Auditor General or the Office of Program Policy  
145 Analysis and Government Accountability publishes a report on the  
146 state agency, the inspector general shall provide a written  
147 response to the agency head or, for state agencies under the  
148 jurisdiction of the Governor, the Chief Inspector General on the  
149 status of corrective actions taken. The inspector general shall  
150 file a copy of such response with the Legislative Auditing  
151 Committee.

152 (i) The inspector general shall develop long-term and  
153 annual audit plans based on the findings of periodic risk  
154 assessments. The plan, where appropriate, should include  
155 postaudit samplings of payments and accounts. The plan shall  
156 show the individual audits to be conducted during each year and  
157 related resources to be devoted to the respective audits. The  
158 Chief Financial Officer, to assist in fulfilling the  
159 responsibilities for examining, auditing, and settling accounts,  
160 claims, and demands pursuant to s. 17.03(1), and examining,  
161 auditing, adjusting, and settling accounts pursuant to s. 17.04,  
162 may use audits performed by the inspectors general and internal  
163 auditors. For state agencies under the jurisdiction of the  
164 Governor, the audit plans shall be submitted to the Chief  
165 Inspector General. The plan shall be submitted to the agency  
166 head for approval. A copy of the approved plan shall be

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167 submitted to the Auditor General.

168 (7) (a) In carrying out the investigative duties and  
169 responsibilities specified in this section, each inspector  
170 general shall initiate, conduct, supervise, and coordinate  
171 investigations designed to detect, deter, prevent, and eradicate  
172 fraud, waste, mismanagement, misconduct, and other abuses in  
173 state government. For these purposes, each inspector general  
174 shall:

175 1.(a) Receive complaints and coordinate all activities of  
176 the agency as required by the Whistle-blower's Act pursuant to  
177 ss. 112.3187-112.31895.

178 2.(b) Receive and consider the complaints which do not  
179 meet the criteria for an investigation under the Whistle-  
180 blower's Act and conduct, supervise, or coordinate such  
181 inquiries, investigations, or reviews as the inspector general  
182 deems appropriate.

183 3.(c) Report expeditiously to the Department of Law  
184 Enforcement or other law enforcement agencies, as appropriate,  
185 whenever the inspector general has reasonable grounds to believe  
186 there has been a violation of criminal law.

187 4.(d) Conduct investigations and other inquiries free of  
188 actual or perceived impairment to the independence of the  
189 inspector general or the inspector general's office. This shall  
190 include freedom from any interference with investigations and  
191 timely access to records and other sources of information.



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192        ~~5.(e)~~ At the conclusion of each investigation in which the  
193 subject of the investigation is a specific entity contracting  
194 with the state or an individual substantially affected as  
195 defined by this section, and if the investigation is not  
196 confidential or otherwise exempt from disclosure by law, the  
197 inspector general shall, consistent with s. 119.07(1), submit  
198 findings to the subject that is a specific entity contracting  
199 with the state or an individual substantially affected, who  
200 shall be advised in writing that they may submit a written  
201 response within 20 working days after receipt of the findings.  
202 Such response and the inspector general's rebuttal to the  
203 response, if any, shall be included in the final investigative  
204 report.

205        ~~6.(f)~~ Submit in a timely fashion final reports on  
206 investigations conducted by the inspector general to the agency  
207 head, except for whistle-blower's investigations, which shall be  
208 conducted and reported pursuant to s. 112.3189.

209        (b) The inspector general and his or her staff may take  
210 and record testimony or statements of any person as reasonably  
211 necessary for the furtherance of an investigation or review  
212 undertaken by the inspector general.

213        (8)

214        (c) The final reports prepared pursuant to paragraphs (a)  
215 and (b) shall be provided to the heads of the respective  
216 agencies and, for state agencies under the jurisdiction of the

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217 Governor, the Chief Inspector General. Such reports shall  
218 include, but need not be limited to:

219 1. A description of activities relating to the  
220 development, assessment, and validation of performance measures.

221 2. A description of significant abuses and deficiencies  
222 relating to the administration of programs and operations of the  
223 agency disclosed by investigations, audits, reviews, or other  
224 activities during the reporting period.

225 3. A description of the recommendations for corrective  
226 action made by the inspector general during the reporting period  
227 with respect to significant problems, abuses, or deficiencies  
228 identified.

229 4. The identification of each significant recommendation  
230 described in previous annual reports on which corrective action  
231 has not been completed.

232 5. A summary of each audit and investigation completed  
233 during the reporting period.

234 6. Any increase or decrease in the total allocations or  
235 total expenditures in the inspector general's budget for the  
236 preceding state fiscal year compared to the total allocations or  
237 total expenditures in the budget for the prior state fiscal year  
238 and any increase or decrease in the number of permanent,  
239 temporary, loaned, grant-funded, or full-time equivalent staff  
240 within the office of the inspector general.

241 (10) Each agency inspector general shall, to the extent

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242 both necessary and practicable, include on his or her staff  
243 individuals with information technology ~~electronic data~~  
244 ~~processing~~ auditing experience.

245 Section 3. Paragraph (a) of subsection (2) of section  
246 20.121, Florida Statutes, is amended to read:

247 20.121 Department of Financial Services.—There is created  
248 a Department of Financial Services.

249 (2) DIVISIONS.—The Department of Financial Services shall  
250 consist of the following divisions and office:

251 (a) The Division of Accounting and Auditing. Any auditor  
252 employed within the division is included in the Selected Exempt  
253 Service as provided in chapter 110.

254  
255 -----  
256 **D I R E C T O R Y A M E N D M E N T**

257 Remove lines 55-56 and insert:

258 Section 2. Paragraph (b) of subsection (3), paragraphs (a)  
259 and (b) of

260  
261 -----  
262 **T I T L E A M E N D M E N T**

263 Remove lines 8-27 and insert:

264 20.055, F.S.; revising provisions relating to duties and  
265 responsibilities of agency inspectors general; providing  
266 that any staff employed within an office of the inspector

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267 | general are Selected Exempt Service employees; providing  
268 | that agency inspectors general are Senior Management  
269 | Service employees; revising the qualifications of agency  
270 | inspectors general; authorizing an agency inspector general  
271 | and staff to take and record testimony or statements  
272 | necessary to conduct an investigation or review; requiring  
273 | each agency inspector general to include specified  
274 | budgetary and staffing information in an annual report;  
275 | amending s. 20.121, F.S.; providing that an auditor  
276 | employed within the Division of Accounting and Auditing of  
277 | the Department of Financial Services is a Selected Exempt  
278 | Service employee; providing an effective date.