

hbd-032

Bill No. CS/HB 623, 1st Eng.

Amendment No. \_\_\_\_ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Berfield offered the following:

**Amendment (with title amendment)**

On page 2, line 25,

insert:

Section 1. Subsections (3), (4), and (5) are added to section 11.40, Florida Statutes, to read:

11.40 Legislative Auditing Committee.--

(3) The Legislative Auditing Committee may direct the Auditor General or the Office of Program Policy Analysis and Government Accountability to conduct an audit, review, or examination of any entity or record described in s. 11.45(2) or (3).

(4) The Legislative Auditing Committee may take under investigation any matter within the scope of an audit, review, or examination either completed or then being conducted by the Auditor General or the Office of Program Policy Analysis and Government Accountability, and, in connection with such investigation, may exercise the powers of subpoena by law vested in a standing committee of the Legislature.

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1           (5) Following notification by the Auditor General, the  
2 Department of Banking and Finance, or the Division of Bond  
3 Finance of the State Board of Administration of the failure of  
4 a local governmental entity, district school board, charter  
5 school, or charter technical career center to comply with the  
6 applicable provisions within s. 11.45(5)-(7), s. 218.32(1), or  
7 s. 218.38, the Legislative Auditing Committee may schedule a  
8 hearing. If a hearing is scheduled, the committee shall  
9 determine if the entity should be subject to further state  
10 action. If the committee determines that the entity should be  
11 subject to further state action, the committee shall:

12           (a) In the case of a local governmental entity or  
13 district school board, request the Department of Revenue and  
14 the Department of Banking and Finance to withhold any funds  
15 not pledged for bond debt service satisfaction which are  
16 payable to such entity until the entity complies with the law.  
17 The committee, in its request, shall specify the date such  
18 action shall begin, and the request must be received by the  
19 Department of Revenue and the Department of Banking and  
20 Finance 30 days before the date of the distribution mandated  
21 by law. The Department of Revenue and the Department of  
22 Banking and Finance are authorized to implement the provisions  
23 of this paragraph.

24           (b) In the case of a special district, notify the  
25 Department of Community Affairs that the special district has  
26 failed to comply with the law. Upon receipt of notification,  
27 the Department of Community Affairs shall proceed pursuant to  
28 the provisions specified in ss. 189.421 and 189.422.

29           (c) In the case of a charter school or charter  
30 technical career center, notify the appropriate sponsoring  
31 entity, which may terminate the charter pursuant to ss.

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1 228.056 and 228.505.

2 Section 2. Subsections (2), (6), and (8) of section  
3 11.42, Florida Statutes, are amended, and subsection (9) is  
4 added to said section, to read:

5 11.42 The Auditor General.--

6 (2) The Auditor General shall be appointed to office  
7 to serve at the pleasure of the Legislature, by a majority  
8 vote of the members of the Legislative Auditing Committee,  
9 subject to confirmation by both houses of the Legislature. At  
10 the time of her or his appointment, the Auditor General shall  
11 have been certified under the Public Accountancy Law in this  
12 state for a period of at least 10 years and shall have had not  
13 less than 10 years' experience in an accounting or auditing  
14 related field ~~a governmental agency or 10 years' experience in~~  
15 ~~the private sector or a combination of 10 years' experience in~~  
16 ~~government and the private sector.~~ Vacancies in the office  
17 shall be filled in the same manner as the original  
18 appointment.

19 (6)(a) The headquarters of the Auditor General shall  
20 be at the state capital, but to facilitate auditing and to  
21 eliminate unnecessary traveling the Auditor General may  
22 establish field offices located outside the state capital  
23 ~~divisions and assign auditors to each division and determine~~  
24 ~~their duties and the areas of the state to be served by the~~  
25 ~~respective divisions.~~ The Auditor General shall be provided  
26 with adequate quarters to carry out the position's functions  
27 in the state capital and in other areas of the state.

28 (b) All payrolls and vouchers for the operations of  
29 the Auditor General's office shall be submitted ~~directly~~ to  
30 the Comptroller and, if found to be correct, payments state  
31 ~~warrants~~ shall be issued therefor.

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1           ~~(c) The Auditor General shall transmit to the~~  
 2 ~~President of the Senate and the Speaker of the House of~~  
 3 ~~Representatives by January 1 of each year a list of statutory~~  
 4 ~~and fiscal changes recommended by audit reports. The~~  
 5 ~~recommendations should be presented in two categories: one~~  
 6 ~~addressing substantive law and policy issues and the other~~  
 7 ~~addressing budget issues. The Auditor General may also~~  
 8 ~~transmit recommendations at other times of the year when the~~  
 9 ~~information would be timely and useful for the Legislature.~~

10           (8) No officer or salaried full-time employee of the  
 11 office of Auditor General shall ~~actively engage in any other~~  
 12 ~~business or profession~~; serve as the representative of any  
 13 political party or on any executive committee or other  
 14 governing body thereof; serve as an executive, officer, or  
 15 employee of any political party committee, organization, or  
 16 association; or be engaged on behalf of any candidate for  
 17 public office in the solicitation of votes or other activities  
 18 in behalf of such candidacy. Neither the Auditor General nor  
 19 any employee of the Auditor General may ~~shall~~ become a  
 20 candidate for election to public office unless she or he ~~shall~~  
 21 first resigns ~~resign~~ from office or employment. No officer or  
 22 salaried employee of the Auditor General shall actively engage  
 23 in any other business or profession or be otherwise employed  
 24 without the prior written permission of the Auditor General.

25           (9) Sections 11.25(1) and 11.26 shall not apply to the  
 26 Auditor General.

27           Section 3. Section 11.45, Florida Statutes, is amended  
 28 to read:

29           11.45 Definitions; duties; authorities ~~audits~~;  
 30 reports; rules.--

31           (1) DEFINITIONS.--As used in ss. 11.40-11.515 ~~this~~

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1 ~~section~~, the term:

2       (a) "Audit" means a financial audit, operational  
3 audit, or performance audit.

4       (b)(a) "County agency," for the exclusive purposes of  
5 ~~this section~~, means a board of county commissioners or other  
6 legislative and governing body of a county, however styled,  
7 including that of a consolidated or metropolitan government, a  
8 clerk of the circuit court, a separate or ex officio clerk of  
9 the county court, a sheriff, a property appraiser, a tax  
10 collector, a supervisor of elections, or any other officer in  
11 whom any portion of the fiscal duties of the above are under  
12 law separately placed. ~~Each county agency is a local~~  
13 ~~governmental entity for purposes of subparagraph (3)(a)5.~~

14       (c)(b) "Financial audit" means an examination of  
15 financial statements in order to express an opinion on the  
16 fairness with which they are presented ~~present financial~~  
17 ~~position, results of operations, and changes in financial~~  
18 ~~position~~ in conformity with generally accepted accounting  
19 principles and an examination to determine whether operations  
20 are properly conducted in accordance with legal and regulatory  
21 requirements. Financial audits must be conducted in accordance  
22 with generally accepted auditing standards and government  
23 ~~governmental~~ auditing standards as adopted by the Board of  
24 Accountancy.

25       (d)(c) "Governmental entity" means a state agency, a  
26 county agency, or any other entity, however styled, that  
27 independently exercises any type of state or local  
28 governmental function.

29       (e)(d) "Local governmental entity" means a county  
30 agency, municipality, or special district as defined in s.  
31 189.403, but does not include any housing authority

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1 established under chapter 421.

2 (f)~~(e)~~ "Management letter" means a statement of the  
3 auditor's comments and recommendations.

4 (g)~~(f)~~ "Operational audit" means a financial-related  
5 audit whose purpose is to evaluate management's performance in  
6 administering assigned responsibilities in accordance with  
7 applicable laws, administrative rules, and other guidelines  
8 and to determine the extent to which the internal control, as  
9 designed and placed in operation, promotes and encourages the  
10 achievement of management's control objectives in the  
11 categories of compliance, economic and efficient operations,  
12 reliability of financial records and reports, and safeguarding  
13 of assets.

14 (h)~~(g)~~ "Performance audit" means an examination of a  
15 program, activity, or function of a governmental entity,  
16 conducted in accordance with applicable government auditing  
17 standards or auditing and evaluation standards of other  
18 appropriate authoritative bodies. The term includes an  
19 examination of issues related to:

20 1. Economy, efficiency, or effectiveness of the  
21 program.

22 2. Structure or design of the program to accomplish  
23 its goals and objectives.

24 3. Adequacy of the program to meet the needs  
25 identified by the Legislature or governing body.

26 4. Alternative methods of providing program services  
27 or products.

28 5. Goals, objectives, and performance measures used by  
29 the agency to monitor and report program accomplishments.

30 6. The accuracy or adequacy of public documents,  
31 reports, or requests prepared under the program by state

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1 agencies.

2 7. Compliance of the program with appropriate  
3 policies, rules, or laws.

4 8. Any other issues related to governmental entities  
5 as directed by the Legislative Auditing Committee.

6 (i)~~(h)~~ "Political subdivision" means a separate agency  
7 or unit of local government created or established by law and  
8 includes, but is not limited to, the following and the  
9 officers thereof: authority, board, branch, bureau, city,  
10 commission, consolidated government, county, department,  
11 district, institution, metropolitan government, municipality,  
12 office, officer, public corporation, town, or village.

13 (j)~~(i)~~ "State agency" means a separate agency or unit  
14 of state government created or established by law and  
15 includes, but is not limited to, the following and the  
16 officers thereof: authority, board, branch, bureau,  
17 commission, department, division, institution, office,  
18 officer, or public corporation, as the case may be, except any  
19 such agency or unit ~~other than the Florida Public Service~~  
20 ~~Commission~~ within the legislative branch of state government  
21 other than the Florida Public Service Commission.

22 (2) DUTIES.--The Auditor General shall:

23 (a) Conduct ~~make financial audits and performance~~  
24 audits of ~~public~~ records and perform related duties as  
25 prescribed by law, ~~or~~ concurrent resolution of the  
26 Legislature, or as directed. ~~The Auditor General shall perform~~  
27 ~~his or her duties independently but under the general policies~~  
28 ~~established~~ by the Legislative Auditing Committee.

29 (b) Annually conduct a financial audit of state  
30 government.

31 (c) Annually conduct financial audits of all

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1 universities and district boards of trustees of community  
2 colleges.  
3 (d) Annually conduct financial audits of the accounts  
4 and records of all district school boards in counties with  
5 populations of fewer than 125,000, according to the most  
6 recent federal decennial statewide census.  
7 (e) Annually conduct an audit of the Wireless  
8 Emergency Telephone System Fund as described in s. 365.173.  
9 (f) At least every 2 years, conduct operational audits  
10 of the accounts and records of state agencies and  
11 universities. In connection with these audits, the Auditor  
12 General shall give appropriate consideration to reports issued  
13 by state agencies' inspectors general or universities'  
14 inspectors general and the resolution of findings therein.  
15 (g) At least every 2 years, conduct a performance  
16 audit of the local government financial reporting system,  
17 which, for the purpose of this chapter, means any statutory  
18 provisions related to local government financial reporting.  
19 The purpose of such an audit is to determine the accuracy,  
20 efficiency, and effectiveness of the reporting system in  
21 achieving its goals and to make recommendations to the local  
22 governments, the Governor, and the Legislature as to how the  
23 reporting system can be improved and how program costs can be  
24 reduced. The local government financial reporting system  
25 should provide for the timely, accurate, uniform, and  
26 cost-effective accumulation of financial and other information  
27 that can be used by the members of the Legislature and other  
28 appropriate officials to accomplish the following goals:  
29 1. Enhance citizen participation in local government;  
30 2. Improve the financial condition of local  
31 governments;



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1           3. Provide essential government services in an  
2 efficient and effective manner; and

3           4. Improve decisionmaking on the part of the  
4 Legislature, state agencies, and local government officials on  
5 matters relating to local government.

6           (h) Once every 3 years, conduct performance audits of  
7 the Department of Revenue's administration of the ad valorem  
8 tax laws as described in s. 195.096.

9           (i) Once every 3 years, conduct financial audits of  
10 the accounts and records of all district school boards in  
11 counties with populations of 125,000 or more, according to the  
12 most recent federal decennial statewide census.

13           (j) Once every 3 years, review a sample of each state  
14 agency's internal audit reports to determine compliance with  
15 current Standards for the Professional Practice of Internal  
16 Auditing or, if appropriate, government auditing standards.

17           (k) Conduct audits of local governmental entities when  
18 determined to be necessary by the Auditor General, when  
19 directed by the Legislative Auditing Committee, or when  
20 otherwise required by law. No later than 18 months after the  
21 release of the audit report, the Auditor General shall perform  
22 such appropriate followup procedures as he or she deems  
23 necessary to determine the audited entity's progress in  
24 addressing the findings and recommendations contained within  
25 the Auditor General's previous report. The Auditor General  
26 shall provide a copy of his or her determination to each  
27 member of the audited entity's governing body and to the  
28 Legislative Auditing Committee.

29  
30 The Auditor General shall perform his or her duties  
31 independently but under the general policies established by

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1 the Legislative Auditing Committee. This subsection does not  
2 limit the Auditor General's discretionary authority to conduct  
3 other audits or engagements of governmental entities as  
4 authorized in subsection (3).

5 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.--

6 (a)1. ~~The Auditor General shall annually make~~  
7 ~~financial audits of the accounts and records of all state~~  
8 ~~agencies, as defined in this section, of all district school~~  
9 ~~boards in counties with populations of fewer than 125,000,~~  
10 ~~according to the most recent federal decennial statewide~~  
11 ~~census, and of all district boards of trustees of community~~  
12 ~~colleges. The Auditor General shall, at least every other~~  
13 ~~year, make operational audits of the accounts and records of~~  
14 ~~all state agencies, as defined in this section. The Auditor~~  
15 ~~General shall, at least once every 3 years, make financial~~  
16 ~~audits of the accounts and records of all district school~~  
17 ~~boards in counties with populations of 125,000 or more. For~~  
18 ~~each of the 2 years that the Auditor General does not make the~~  
19 ~~financial audit, each district school board shall contract for~~  
20 ~~an independent certified public accountant to perform a~~  
21 ~~financial audit as defined in paragraph (1)(b). This section~~  
22 ~~does not limit the Auditor General's discretionary authority~~  
23 ~~to conduct performance audits of these governmental entities~~  
24 ~~as authorized in subparagraph 3. A district school board may~~  
25 ~~select an independent certified public accountant to perform a~~  
26 ~~financial audit as defined in paragraph (1)(b) notwithstanding~~  
27 ~~the notification provisions of this section. In addition, a~~  
28 ~~district school board may employ an internal auditor to~~  
29 ~~perform ongoing financial verification of the financial~~  
30 ~~records of a school district, who must report directly to the~~  
31 ~~district school board or its designee. The Auditor General~~

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~~1 shall, at a minimum, provide to the successor independent  
2 certified public accountant of a district school board the  
3 prior year's working papers, including documentation of  
4 planning, internal control, audit results, and other matters  
5 of continuing accounting and auditing significance, such as  
6 the working paper analysis of balance sheet accounts and those  
7 relating to contingencies.~~

~~8 2. Each charter school established under s. 228.056  
9 shall have an annual financial audit of its accounts and  
10 records completed within 12 months after the end of its fiscal  
11 year by an independent certified public accountant retained by  
12 it and paid from its funds. The independent certified public  
13 accountant who is selected to perform an annual financial  
14 audit of the charter school shall provide a copy of the audit  
15 report to the district school board, the Department of  
16 Education, and the Auditor General. A management letter must  
17 be prepared and included as a part of each financial audit  
18 report. The Auditor General may, pursuant to his or her own  
19 authority or at the direction of the Joint Legislative  
20 Auditing Committee, conduct an audit of a charter school.~~

~~21 3. The Auditor General may pursuant to his or her own  
22 authority, or at the direction of the Legislative Auditing  
23 Committee, conduct at any time make financial audits and  
24 performance audits or other engagements as determined  
25 appropriate by the Auditor General of:~~

~~26 1. The accounts and records of any all governmental  
27 entity entities created or established by pursuant to law.~~

~~28 2. The information technology programs, activities,  
29 functions, or systems of any governmental entity created or  
30 established by law.~~

~~31 3. The accounts and records of any charter school~~

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1 created or established by law.

2 4. The accounts and records of any direct-support  
3 organization or citizen support organization created or  
4 established by law. The Auditor General is authorized to  
5 require and receive any records from the direct-support  
6 organization or citizen support organization, or from its  
7 independent auditor.

8 5. The public records associated with any  
9 appropriation made by the General Appropriations Act to a  
10 nongovernmental agency, corporation, or person. All records of  
11 a nongovernmental agency, corporation, or person with respect  
12 to the receipt and expenditure of such an appropriation shall  
13 be public records and shall be treated in the same manner as  
14 other public records are under general law.

15 6. State financial assistance provided to any nonstate  
16 entity.

17 7. The Tobacco Settlement Financing Corporation  
18 created pursuant to s. 215.56005.

19 8. The Florida On-Line High School created pursuant to  
20 s. 228.082.

21 9. Any purchases of federal surplus lands for use as  
22 sites for correctional facilities as described in s. 253.037.

23 10. Enterprise Florida, Inc., including any of its  
24 boards, advisory committees, or similar groups created by  
25 Enterprise Florida, Inc., and programs. The audit report may  
26 not reveal the identity of any person who has anonymously made  
27 a donation to Enterprise Florida, Inc., pursuant to this  
28 subparagraph. The identity of a donor or prospective donor to  
29 Enterprise Florida, Inc., who desires to remain anonymous and  
30 all information identifying such donor or prospective donor  
31 are confidential and exempt from the provisions of s.

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1 119.07(1) and s. 24(a), Art. I of the State Constitution. Such  
2 anonymity shall be maintained in the auditor's report.

3 11. The Florida Development Finance Corporation or the  
4 capital development board or the programs or entities created  
5 by the board. The audit or report may not reveal the identity  
6 of any person who has anonymously made a donation to the board  
7 pursuant to this subparagraph. The identity of a donor or  
8 prospective donor to the board who desires to remain anonymous  
9 and all information identifying such donor or prospective  
10 donor are confidential and exempt from the provisions of s.  
11 119.07(1) and s. 24(a), Art. I of the State Constitution. Such  
12 anonymity shall be maintained in the auditor's report.

13 12. The records pertaining to the use of funds from  
14 voluntary contributions on a motor vehicle registration  
15 application or on a driver's license application authorized  
16 pursuant to ss. 320.023 and 322.081.

17 13. The records pertaining to the use of funds from  
18 the sale of specialty license plates described in chapter 320.

19 14. The transportation corporations under contract  
20 with the Department of Transportation that are acting on  
21 behalf of the state to secure and obtain rights-of-way for  
22 urgently needed transportation systems and to assist in the  
23 planning and design of such systems pursuant to ss.  
24 339.401-339.421.

25 15. The acquisitions and divestitures related to the  
26 Florida Communities Trust Program created pursuant to chapter  
27 380.

28 16. The Florida Water Pollution Control Financing  
29 Corporation created pursuant to s. 403.1837.

30 17. The Florida Partnership for School Readiness  
31 created pursuant to s. 411.01.

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- 1           18. The Occupational Access and Opportunity Commission  
2 created pursuant to s. 413.83.
- 3           19. The Florida Special Disability Trust Fund  
4 Financing Corporation created pursuant to s. 440.49.
- 5           20. Workforce Florida, Inc., or the programs or  
6 entities created by Workforce Florida, Inc., created pursuant  
7 to s. 445.004.
- 8           21. The corporation defined in s. 455.32 that is under  
9 contract with the Department of Business and Professional  
10 Regulation to provide administrative, investigative,  
11 examination, licensing, and prosecutorial support services in  
12 accordance with the provisions of s. 455.32 and the practice  
13 act of the relevant profession.
- 14           22. The Florida Engineers Management Corporation  
15 created pursuant to chapter 471.
- 16           23. The Investment Fraud Restoration Financing  
17 Corporation created pursuant to chapter 517.
- 18           24. The books and records of any permitholder that  
19 conducts race meetings or jai alai exhibitions under chapter  
20 550.
- 21           25. The corporation defined in chapter 946, part II,  
22 known as the Prison Rehabilitative Industries and Diversified  
23 Enterprises, Inc., or PRIDE Enterprises.
- 24           (b) The Auditor General is also authorized to:
- 25               1. Promote the building of competent and efficient  
26 accounting and internal audit organizations in the offices  
27 administered by governmental entities.
- 28               2. Provide consultation services to governmental  
29 entities on their financial and accounting systems,  
30 procedures, and related matters.
- 31           (4) SCHEDULING AND STAFFING OF AUDITS.--

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1           (a) Each financial audit required or authorized by  
2 this section, when practicable, shall be made and completed  
3 within not more than 9 months following the end of each  
4 audited fiscal year of the state agency or political  
5 subdivision, or at such lesser time which may be provided by  
6 law or concurrent resolution or directed by the Legislative  
7 Auditing Committee. When the Auditor General determines that  
8 conducting any audit or engagement otherwise required by law  
9 would not be possible due to workload or would not be an  
10 efficient or effective use of his or her resources based on an  
11 assessment of risk, then, in his or her discretion, the  
12 Auditor General may temporarily or indefinitely postpone such  
13 audits or other engagements for such period or any portion  
14 thereof, unless otherwise directed by the committee.

15           (b) The Auditor General may, when in his or her  
16 judgment it is necessary, designate and direct any auditor  
17 employed by the Auditor General to audit any accounts or  
18 records within the authority of the Auditor General to audit.  
19 The auditor shall report his or her findings for review by the  
20 Auditor General, who shall prepare the audit report.

21           (c) The audit report when final shall be a public  
22 record. The audit workpapers and notes are not a public  
23 record; however, those workpapers necessary to support the  
24 computations in the final audit report may be made available  
25 by a majority vote of the Legislative Auditing Committee after  
26 a public hearing showing proper cause. The audit workpapers  
27 and notes shall be retained by the Auditor General until no  
28 longer useful in his or her proper functions, after which time  
29 they may be destroyed.

30           (d) At the conclusion of the audit, the Auditor  
31 General or the Auditor General's designated representative

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1 shall discuss the audit with the official whose office is  
2 subject to audit and submit to that official a list of the  
3 Auditor General's findings which may be included in the audit  
4 report. If the official is not available for receipt of the  
5 list of audit findings then delivery is presumed to be made  
6 when it is delivered to his or her office. The official shall  
7 submit to the Auditor General or the designated  
8 representative, within 30 days after the receipt of the list  
9 of findings, his or her written statement of explanation or  
10 rebuttal concerning all of the findings, including corrective  
11 action to be taken to preclude a recurrence of all findings.

12 (e) The Auditor General shall provide the successor  
13 independent certified public accountant of a district school  
14 board with access to the prior year's working papers in  
15 accordance with the Statements on Auditing Standards,  
16 including documentation of planning, internal control, audit  
17 results, and other matters of continuing accounting and  
18 auditing significance, such as the working paper analysis of  
19 balance sheet accounts and those relating to contingencies.

20 (5) PETITION FOR AN AUDIT BY THE AUDITOR GENERAL.--The  
21 Legislative Auditing Committee shall direct the Auditor  
22 General to make a financial audit of any municipality whenever  
23 petitioned to do so by at least 20 percent of the electors of  
24 that municipality. The supervisor of elections of the county  
25 in which the municipality is located shall certify whether or  
26 not the petition contains the signatures of at least 20  
27 percent of the electors of the municipality. After the  
28 completion of the audit, the Auditor General shall determine  
29 whether the municipality has the fiscal resources necessary to  
30 pay the cost of the audit. The municipality shall pay the cost  
31 of the audit within 90 days after the Auditor General's



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1 determination that the municipality has the available  
2 resources. If the municipality fails to pay the cost of the  
3 audit, the Department of Revenue shall, upon certification of  
4 the Auditor General, withhold from that portion of the  
5 distribution pursuant to s. 212.20(6)(e)6. which is  
6 distributable to such municipality, a sum sufficient to pay  
7 the cost of the audit and shall deposit that sum into the  
8 General Revenue Fund of the state.

9 (6) REQUEST BY A LOCAL GOVERNMENTAL ENTITY FOR AN  
10 AUDIT BY THE AUDITOR GENERAL.--Whenever a local governmental  
11 entity requests the Auditor General to conduct an audit of all  
12 or part of its operations and the Auditor General conducts the  
13 audit under his or her own authority or at the direction of  
14 the Legislative Auditing Committee, the expenses of the audit  
15 shall be paid by the local governmental entity. The Auditor  
16 General shall estimate the cost of the audit. Fifty percent of  
17 the cost estimate shall be paid by the local governmental  
18 entity before the initiation of the audit and deposited into  
19 the General Revenue Fund of the state. After the completion of  
20 the audit, the Auditor General shall notify the local  
21 governmental entity of the actual cost of the audit. The local  
22 governmental entity shall remit the remainder of the cost of  
23 the audit to the Auditor General for deposit into the General  
24 Revenue Fund of the state. If the local governmental entity  
25 fails to comply with paying the remaining cost of the audit,  
26 the Auditor General shall notify the Legislative Auditing  
27 Committee. The committee shall proceed in accordance with s.  
28 11.40(5).

29 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

30 (a) The Auditor General shall notify the Legislative  
31 Auditing Committee of any local governmental entity, district

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1 school board, charter school, or charter technical career  
2 center that does not comply with the reporting requirements of  
3 s. 218.39. The committee shall proceed in accordance with s.  
4 11.40(5).The audits referred to in this subparagraph must be  
5 made whenever determined by the Auditor General, whenever  
6 directed by the Legislative Auditing Committee, or whenever  
7 otherwise required by law or concurrent resolution. A  
8 district school board, expressway authority, or bridge  
9 authority may require that the annual financial audit of its  
10 accounts and records be completed within 12 months after the  
11 end of its fiscal year. If the Auditor General is unable to  
12 meet that requirement, the Auditor General shall notify the  
13 school board, the expressway authority, or the bridge  
14 authority pursuant to subparagraph 5.

15 ~~4. The Office of Program Policy Analysis and~~  
16 ~~Government Accountability within the Office of the Auditor~~  
17 ~~General shall maintain a schedule of performance audits of~~  
18 ~~state programs. In conducting a performance audit of a state~~  
19 ~~program, the Office of Program Policy Analysis and Government~~  
20 ~~Accountability, when appropriate, shall identify and comment~~  
21 ~~upon alternatives for accomplishing the goals of the program~~  
22 ~~being audited. Such alternatives may include funding~~  
23 ~~techniques and, if appropriate, must describe how other states~~  
24 ~~or governmental units accomplish similar goals.~~

25 ~~5. If by July 1 in any fiscal year a district school~~  
26 ~~board or local governmental entity has not been notified that~~  
27 ~~a financial audit for that fiscal year will be performed by~~  
28 ~~the Auditor General pursuant to subparagraph 3., each~~  
29 ~~municipality with either revenues or expenditures of more than~~  
30 ~~\$100,000, each special district with either revenues or~~  
31 ~~expenditures of more than \$50,000, and each county agency~~

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1 ~~shall, and each district school board may, require that an~~  
2 ~~annual financial audit of its accounts and records be~~  
3 ~~completed, within 12 months after the end of its respective~~  
4 ~~fiscal year, by an independent certified public accountant~~  
5 ~~retained by it and paid from its public funds. An independent~~  
6 ~~certified public accountant who is selected to perform an~~  
7 ~~annual financial audit of a school district must report~~  
8 ~~directly to the district school board or its designee. A~~  
9 ~~management letter must be prepared and included as a part of~~  
10 ~~each financial audit report. Each local government finance~~  
11 ~~commission, board, or council, and each municipal power~~  
12 ~~corporation, created as a separate legal or administrative~~  
13 ~~entity by interlocal agreement under s. 163.01(7), shall~~  
14 ~~provide the Auditor General, within 12 months after the end of~~  
15 ~~its fiscal year, with an annual financial audit report of its~~  
16 ~~accounts and records and a written statement or explanation or~~  
17 ~~rebuttal concerning the auditor's comments, including~~  
18 ~~corrective action to be taken. The county audit shall be one~~  
19 ~~document that includes a separate audit of each county agency.~~  
20 ~~The county audit must include an audit of the deposits into~~  
21 ~~and expenditures from the Public Records Modernization Trust~~  
22 ~~Fund. The Auditor General shall tabulate the results of the~~  
23 ~~audits of the Public Records Modernization Trust Fund and~~  
24 ~~report a summary of the audits to the Legislature annually.~~

25 ~~6. The governing body of a municipality, special~~  
26 ~~district, or charter school must establish an auditor~~  
27 ~~selection committee and competitive auditor selection~~  
28 ~~procedures. The governing board may elect to use its own~~  
29 ~~competitive auditor selection procedures or the procedures~~  
30 ~~outlined in subparagraph 7.~~

31 ~~7. The governing body of a noncharter county or~~

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1 ~~district school board that retains a certified public~~  
2 ~~accountant must establish an auditor selection committee and~~  
3 ~~select an independent certified public accountant according to~~  
4 ~~the following procedure:~~

5       ~~a. For each noncharter county, the auditor selection~~  
6 ~~committee must consist of the county officers elected pursuant~~  
7 ~~to s. 1(d), Art. VIII of the State Constitution, and one~~  
8 ~~member of the board of county commissioners or its designee.~~

9       ~~b. The committee shall publicly announce, in a uniform~~  
10 ~~and consistent manner, each occasion when auditing services~~  
11 ~~are required to be purchased. Public notice must include a~~  
12 ~~general description of the audit and must indicate how~~  
13 ~~interested certified public accountants can apply for~~  
14 ~~consideration.~~

15       ~~c. The committee shall encourage firms engaged in the~~  
16 ~~lawful practice of public accounting who desire to provide~~  
17 ~~professional services to submit annually a statement of~~  
18 ~~qualifications and performance data.~~

19       ~~d. Any certified public accountant desiring to provide~~  
20 ~~auditing services must first be qualified pursuant to law. The~~  
21 ~~committee shall make a finding that the firm or individual to~~  
22 ~~be employed is fully qualified to render the required~~  
23 ~~services. Among the factors to be considered in making this~~  
24 ~~finding are the capabilities, adequacy of personnel, past~~  
25 ~~record, and experience of the firm or individual.~~

26       ~~e. The committee shall adopt procedures for the~~  
27 ~~evaluation of professional services, including, but not~~  
28 ~~limited to, capabilities, adequacy of personnel, past record,~~  
29 ~~experience, results of recent external quality control~~  
30 ~~reviews, and such other factors as may be determined by the~~  
31 ~~committee to be applicable to its particular requirements.~~

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1           ~~f. The public must not be excluded from the~~  
2 ~~proceedings under this subparagraph.~~

3           ~~g. The committee shall evaluate current statements of~~  
4 ~~qualifications and performance data on file with the~~  
5 ~~committee, together with those that may be submitted by other~~  
6 ~~firms regarding the proposed audit, and shall conduct~~  
7 ~~discussions with, and may require public presentations by, no~~  
8 ~~fewer than three firms regarding their qualifications,~~  
9 ~~approach to the audit, and ability to furnish the required~~  
10 ~~services.~~

11           ~~h. The committee shall select no fewer than three~~  
12 ~~firms deemed to be the most highly qualified to perform the~~  
13 ~~required services after considering such factors as the~~  
14 ~~ability of professional personnel; past performance;~~  
15 ~~willingness to meet time requirements; location; recent,~~  
16 ~~current, and projected workloads of the firms; and the volume~~  
17 ~~of work previously awarded to the firm by the agency, with the~~  
18 ~~object of effecting an equitable distribution of contracts~~  
19 ~~among qualified firms, provided such distribution does not~~  
20 ~~violate the principle of selection of the most highly~~  
21 ~~qualified firms. If fewer than three firms desire to perform~~  
22 ~~the services, the committee shall recommend such firms as it~~  
23 ~~determines to be qualified.~~

24           ~~i. If the governing board receives more than one~~  
25 ~~proposal for the same engagement, the board may rank, in order~~  
26 ~~of preference, the firms to perform the engagement. The firm~~  
27 ~~ranked first may then negotiate a contract with the board~~  
28 ~~giving, among other things, a basis of its fee for that~~  
29 ~~engagement. If the board is unable to negotiate a~~  
30 ~~satisfactory contract with that firm, negotiations with that~~  
31 ~~firm shall be formally terminated, and the board shall then~~

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1 ~~undertake negotiations with the second-ranked firm. Failing~~  
2 ~~accord with the second-ranked firm, negotiations shall then be~~  
3 ~~terminated with that firm and undertaken with the third-ranked~~  
4 ~~firm. Negotiations with the other ranked firms shall be~~  
5 ~~undertaken in the same manner. The board, in negotiating with~~  
6 ~~firms, may reopen formal negotiations with any one of the~~  
7 ~~three top-ranked firms, but it may not negotiate with more~~  
8 ~~than one firm at a time. The board shall also negotiate on the~~  
9 ~~scope and quality of services. In making such determination,~~  
10 ~~the board shall conduct a detailed analysis of the cost of the~~  
11 ~~professional services required in addition to considering~~  
12 ~~their scope and complexity. For contracts over \$50,000, the~~  
13 ~~board shall require the firm receiving the award to execute a~~  
14 ~~truth-in-negotiation certificate stating that the rates of~~  
15 ~~compensation and other factual unit costs supporting the~~  
16 ~~compensation are accurate, complete, and current at the time~~  
17 ~~of contracting. Such certificate shall also contain a~~  
18 ~~description and disclosure of any understanding that places a~~  
19 ~~limit on current or future years' audit contract fees,~~  
20 ~~including any arrangements under which fixed limits on fees~~  
21 ~~will not be subject to reconsideration if unexpected~~  
22 ~~accounting or auditing issues are encountered. Such~~  
23 ~~certificate shall also contain a description of any services~~  
24 ~~rendered by the certified public accountant or firm of~~  
25 ~~certified public accountants at rates or terms that are not~~  
26 ~~customary. Any auditing service contract under which such a~~  
27 ~~certificate is required must contain a provision that the~~  
28 ~~original contract price and any additions thereto shall be~~  
29 ~~adjusted to exclude any significant sums by which the board~~  
30 ~~determines the contract price was increased due to inaccurate~~  
31 ~~or incomplete factual unit costs. All such contract~~

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1 ~~adjustments shall be made within 1 year following the end of~~  
2 ~~the contract.~~

3 ~~j. If the board is unable to negotiate a satisfactory~~  
4 ~~contract with any of the selected firms, the committee shall~~  
5 ~~select additional firms, and the board shall continue~~  
6 ~~negotiations in accordance with this subsection until an~~  
7 ~~agreement is reached.~~

8 ~~8. At the conclusion of the audit field work, the~~  
9 ~~independent certified public accountant shall discuss with the~~  
10 ~~head of each local governmental entity or the chair's designee~~  
11 ~~or with the chair of the district school board or the chair's~~  
12 ~~designee, or with the chair of the board of the charter school~~  
13 ~~or the chair's designee, as appropriate, all of the auditor's~~  
14 ~~comments that will be included in the audit report. If the~~  
15 ~~officer is not available to discuss the auditor's comments,~~  
16 ~~their discussion is presumed when the comments are delivered~~  
17 ~~in writing to his or her office. The auditor shall notify each~~  
18 ~~member of the governing body of a local governmental entity~~  
19 ~~for which deteriorating financial conditions exist which may~~  
20 ~~cause a condition described in s. 218.503(1) to occur if~~  
21 ~~actions are not taken to address such conditions.~~

22 ~~9. The officer's written statement of explanation or~~  
23 ~~rebuttal concerning the auditor's comments, including~~  
24 ~~corrective action to be taken, must be filed with the~~  
25 ~~governing body of the local governmental entity, district~~  
26 ~~school board, or charter school within 30 days after the~~  
27 ~~delivery of the financial audit report.~~

28 ~~10. The Auditor General, in consultation with the~~  
29 ~~Board of Accountancy, shall adopt rules for the form and~~  
30 ~~conduct of all financial audits subject to this section and~~  
31 ~~conducted by independent certified public accountants. The~~

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1 ~~Auditor General, in consultation with the Department of~~  
2 ~~Education, shall develop a compliance supplement for the~~  
3 ~~financial audit of a district school board conducted by an~~  
4 ~~independent certified public accountant. The rules for audits~~  
5 ~~of local governmental entities and district school boards must~~  
6 ~~include, but are not limited to, requirements for the~~  
7 ~~reporting of information necessary to carry out the purposes~~  
8 ~~of the Local Government Financial Emergencies Act as stated in~~  
9 ~~s. 218.501.~~

10 ~~11. Any local governmental entity or district school~~  
11 ~~board financial audit report required under subparagraph 5. or~~  
12 ~~charter school financial audit report required under~~  
13 ~~subparagraph 2. and the officer's written statement of~~  
14 ~~explanation or rebuttal concerning the auditor's comments,~~  
15 ~~including corrective action to be taken, must be submitted to~~  
16 ~~the Auditor General within 45 days after delivery of the audit~~  
17 ~~report to the local governmental entity, district school~~  
18 ~~board, or charter school, but no later than 12 months after~~  
19 ~~the end of the fiscal year. If the Auditor General does not~~  
20 ~~receive the financial audit report within the prescribed~~  
21 ~~period, he or she must notify the Legislative Auditing~~  
22 ~~Committee that the governmental entity or charter school has~~  
23 ~~not complied with this subparagraph. Following notification of~~  
24 ~~failure to submit the required audit report or items required~~  
25 ~~by rule adopted by the Auditor General, a hearing must be~~  
26 ~~scheduled by rule of the committee. After the hearing, the~~  
27 ~~committee shall determine which governmental entities or~~  
28 ~~charter schools will be subjected to further state action. If~~  
29 ~~it finds that one or more governmental entities or charter~~  
30 ~~schools should be subjected to further state action, the~~  
31 ~~committee shall:~~



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1           ~~a. In the case of a local governmental entity,~~  
2 ~~district school board, or charter school, request the~~  
3 ~~Department of Revenue and the Department of Banking and~~  
4 ~~Finance to withhold any funds not pledged for bond debt~~  
5 ~~service satisfaction which are payable to such governmental~~  
6 ~~entity or charter school until the required financial audit is~~  
7 ~~received by the Auditor General. The Department of Revenue and~~  
8 ~~the Department of Banking and Finance are authorized to~~  
9 ~~implement the provisions of this sub-subparagraph. The~~  
10 ~~committee, in its request, shall specify the date such action~~  
11 ~~shall begin, and the request must be received by the~~  
12 ~~Department of Revenue and the Department of Banking and~~  
13 ~~Finance 30 days before the date of the distribution mandated~~  
14 ~~by law.~~

15           ~~b. In the case of a special district, notify the~~  
16 ~~Department of Community Affairs that the special district has~~  
17 ~~failed to provide the required audits. Upon receipt of~~  
18 ~~notification, the Department of Community Affairs shall~~  
19 ~~proceed pursuant to ss. 189.421 and 189.422.~~

20           **(b)12.a.** The Auditor General, in consultation with the  
21 Board of Accountancy, shall review all audit reports submitted  
22 pursuant to s. 218.39 subparagraph ~~ii~~. The Auditor General  
23 shall request any significant items that were omitted in  
24 violation of a rule adopted by the Auditor General. The items  
25 must be provided within 45 days after the date of the request.  
26 If the governmental entity does not comply with the Auditor  
27 General's request, the Auditor General shall notify the  
28 Legislative Auditing Committee. The committee shall proceed in  
29 accordance with s. 11.40(5).

30           **(c)** The Auditor General shall provide annually a list  
31 of those special districts which are not in compliance with s.

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1 218.39 to the Special District Information Program of the  
2 Department of Community Affairs.

3 (d) During the Auditor General's review of audit  
4 reports, he or she shall contact those units of local  
5 government, as defined in s. 218.403, that are not in  
6 compliance with s. 218.415 and request evidence of corrective  
7 action. The unit of local government shall provide the Auditor  
8 General with evidence of corrective action within 45 days  
9 after the date it is requested by the Auditor General. If the  
10 unit of local government fails to comply with the Auditor  
11 General's request, the Auditor General shall notify the  
12 Legislative Auditing Committee. The committee shall proceed  
13 in accordance with s. 11.40(5).~~If the Auditor General does~~  
14 ~~not receive the requested items, he or she shall notify the~~  
15 ~~Joint Legislative Auditing Committee.~~

16 (e)~~b~~. The Auditor General shall notify the Governor  
17 and the ~~Joint~~ Legislative Auditing Committee of any audit  
18 report reviewed by the Auditor General pursuant to paragraph  
19 (b)which contains a statement that the local governmental  
20 entity or district school board is in a state of financial  
21 emergency as provided in s. 218.503. If the Auditor General  
22 requests a clarification regarding information included in an  
23 audit report to determine whether a,~~in reviewing any audit~~  
24 ~~report, identifies additional information which indicates that~~  
25 ~~the local governmental entity or district school board is~~ is ~~may~~  
26 ~~be in a state of financial emergency,~~as provided in s.  
27 ~~218.503, the Auditor General shall request appropriate~~  
28 ~~clarification from the local governmental entity or district~~  
29 ~~school board.~~the requested clarification must be provided  
30 within 45 days after the date of the request. If the local  
31 governmental entity or district school board does not comply

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1 with the Auditor General's request, the Auditor General does  
2 ~~not receive the requested clarification, he or she shall~~  
3 ~~notify the Joint Legislative Auditing Committee. If, after~~  
4 ~~obtaining the requested clarification, the Auditor General~~  
5 ~~determines that the local governmental entity or district~~  
6 ~~school board is in a state of financial emergency as provided~~  
7 ~~in s. 218.503, he or she shall notify the Governor and the~~  
8 ~~Joint Legislative Auditing Committee.~~

9 (f)c. The Auditor General shall annually compile and  
10 transmit to the President of the Senate, the Speaker of the  
11 House of Representatives, and the Joint Legislative Auditing  
12 Committee a summary of significant findings and financial  
13 trends identified in audit reports reviewed in paragraph (b)  
14 or otherwise identified by the Auditor General's review of  
15 such audit reports and financial information, and identified  
16 in audits of district school boards conducted by the Auditor  
17 General. The Auditor General shall include financial  
18 information provided pursuant to s. 218.32(1)(e) for entities  
19 with fiscal years ending on or after June 30, 2003, within his  
20 or her reports submitted pursuant to this paragraph.

21 (g) If the Auditor General discovers significant  
22 errors, improper practices, or other significant discrepancies  
23 in connection with his or her audits of a state agency or  
24 state officer, the Auditor General shall notify the President  
25 of the Senate, the Speaker of the House of Representatives,  
26 and the Legislative Auditing Committee. The President of the  
27 Senate and the Speaker of the House of Representatives shall  
28 promptly forward a copy of the notification to the chairs of  
29 the respective legislative committees, which in the judgment  
30 of the President of the Senate and the Speaker of the House of  
31 Representatives are substantially concerned with the functions

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1 of the state agency or state officer involved. Thereafter, and  
2 in no event later than the 10th day of the next succeeding  
3 legislative session, the person in charge of the state agency  
4 involved, or the state officer involved, as the case may be,  
5 shall explain in writing to the President of the Senate, the  
6 Speaker of the House of Representatives, and to the  
7 Legislative Auditing Committee the reasons or justifications  
8 for such errors, improper practices, or other significant  
9 discrepancies and the corrective measures, if any, taken by  
10 the agency.

11 (h) The Auditor General shall transmit to the  
12 President of the Senate, the Speaker of the House of  
13 Representatives, and the Legislative Auditing Committee by  
14 December 1 of each year a list of statutory and fiscal changes  
15 recommended by the Auditor General. The Auditor General may  
16 also transmit recommendations at other times of the year when  
17 the information would be timely and useful for the  
18 Legislature.

19 (8) RULES OF THE AUDITOR GENERAL.--The Auditor  
20 General, in consultation with the Board of Accountancy, shall  
21 adopt rules for the form and conduct of all financial audits  
22 performed by independent certified public accountants pursuant  
23 to ss. 215.98, 218.39, 237.40, 240.299, and 240.331. The rules  
24 for audits of local governmental entities and district school  
25 boards must include, but are not limited to, requirements for  
26 the reporting of information necessary to carry out the  
27 purposes of the Local Government Financial Emergencies Act as  
28 stated in s. 218.501.

29 (9) OTHER GUIDANCE PROVIDED BY THE AUDITOR  
30 GENERAL.--The Auditor General, in consultation with the  
31 Department of Education, shall develop a compliance supplement

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1 for the financial audit of a district school board conducted  
2 by an independent certified public accountant.~~audits of local~~  
3 ~~governmental entities, district school boards, and charter~~  
4 ~~schools performed by the independent certified public~~  
5 ~~accountants.~~

6 ~~13. In conducting a performance audit of any agency,~~  
7 ~~the Auditor General shall use the Agency Strategic Plan of the~~  
8 ~~agency in evaluating the performance of the agency.~~

9 ~~(b) The Legislative Auditing Committee shall direct~~  
10 ~~the Auditor General to make a financial audit of any~~  
11 ~~municipality whenever petitioned to do so by at least 20~~  
12 ~~percent of the electors of that municipality. The supervisor~~  
13 ~~of elections of the county in which the municipality is~~  
14 ~~located shall certify whether or not the petition contains the~~  
15 ~~signatures of at least 20 percent of the electors of the~~  
16 ~~municipality. After the completion of the audit, the Auditor~~  
17 ~~General shall determine whether the municipality has the~~  
18 ~~fiscal resources necessary to pay the cost of the audit. The~~  
19 ~~municipality shall pay the cost of the audit within 90 days~~  
20 ~~after the Auditor General's determination that the~~  
21 ~~municipality has the available resources. If the municipality~~  
22 ~~fails to pay the cost of the audit, the Department of Revenue~~  
23 ~~shall, upon certification of the Auditor General, withhold~~  
24 ~~from that portion of the distribution pursuant to s.~~  
25 ~~212.20(6)(f)5. which is distributable to such municipality a~~  
26 ~~sum sufficient to pay the cost of the audit and shall deposit~~  
27 ~~that sum into the General Revenue Fund of the state.~~

28 ~~(c) The Auditor General shall at least every 2 years~~  
29 ~~make a performance audit of the local government financial~~  
30 ~~reporting system, which, for the purpose of this chapter,~~  
31 ~~means the reporting provisions of this subsection and~~

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1 ~~subsection (4); s. 27.3455(1) and (2); part VII of chapter~~  
2 ~~112; s. 163.05; s. 166.241; chapter 189; parts III and V of~~  
3 ~~chapter 218; and s. 925.037(5). The performance audit shall~~  
4 ~~analyze each component of the reporting system separately and~~  
5 ~~analyze the reporting system as a whole. The purpose of such~~  
6 ~~an audit is to determine the accuracy, efficiency, and~~  
7 ~~effectiveness of the reporting system in achieving its goals~~  
8 ~~and objectives and to make recommendations to the local~~  
9 ~~governments, the Governor, and the Legislature as to how the~~  
10 ~~reporting system can be improved and how program costs can be~~  
11 ~~reduced. Such goals and objectives must include, but need not~~  
12 ~~be limited to, the timely, accurate, uniform, and~~  
13 ~~cost-effective accumulation of financial and other information~~  
14 ~~that can be used by the members of the Legislature and other~~  
15 ~~appropriate officials in order to:~~

- 16 ~~1. Compare and contrast revenue sources and~~  
17 ~~expenditures of local governmental entities;~~
- 18 ~~2. Assess the fiscal impact of the formation,~~  
19 ~~dissolution, and activity of special districts;~~
- 20 ~~3. Evaluate the fiscal impact of state mandates on~~  
21 ~~local governmental entities;~~
- 22 ~~4. Assess financial or economic conditions of local~~  
23 ~~governmental entities; and~~
- 24 ~~5. Improve communication and coordination among state~~  
25 ~~agencies and local governmental entities.~~

26 ~~(d) Whenever a local governmental entity requests the~~  
27 ~~Auditor General to conduct an audit of all or part of its~~  
28 ~~operations and the Auditor General conducts the audit under~~  
29 ~~his or her own authority or at the direction of the~~  
30 ~~Legislative Auditing Committee, the expenses of the audit~~  
31 ~~shall be paid by the local governmental entity. The Auditor~~

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~~1 General shall estimate the cost of the audit. Fifty percent of  
2 the cost estimate shall be paid by the local governmental  
3 entity before the initiation of the audit and deposited into  
4 the General Revenue Fund of the state. After the completion of  
5 the audit, the Auditor General shall forward the actual cost  
6 of the audit to the local governmental entity. The local  
7 governmental entity shall remit the remainder of the cost of  
8 the audit to the Auditor General for deposit into the General  
9 Revenue Fund of the state. If the local governmental entity  
10 fails to pay the cost of the audit, the Auditor General shall  
11 notify the Legislative Auditing Committee. Following the  
12 notification, the committee may schedule a hearing. After the  
13 hearing, the committee shall determine if the local  
14 governmental entity should be subject to further state action.  
15 If the committee determines that the local governmental entity  
16 should be subject to further state action, the committee  
17 shall:~~

~~18       1. In the case of a local governmental entity, request  
19 the Department of Revenue and the Department of Banking and  
20 Finance to withhold any funds payable to the governmental  
21 entity until the required payment is received by the Auditor  
22 General.~~

~~23       2. In the case of a special district, notify the  
24 Department of Community Affairs that the special district has  
25 failed to pay for the cost of the audit. Upon receipt of  
26 notification, the Department of Community Affairs shall  
27 proceed pursuant to the provisions specified in ss. 189.421  
28 and 189.422.~~

~~29       (4) If the Auditor General conducts an audit of a  
30 special district which indicates in its findings problems  
31 related to debt policy or practice, including failure to meet~~

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1 ~~debt service payments, failure to comply with significant bond~~  
2 ~~covenants, failure to meet bond reserve requirements, and~~  
3 ~~significant erosion of a special district's revenue-producing~~  
4 ~~capacity, a copy of the audit shall be submitted to the~~  
5 ~~Division of Bond Finance of the State Board of Administration~~  
6 ~~for review and comment. Upon receipt of this notification~~  
7 ~~from the Auditor General, the Division of Bond Finance shall~~  
8 ~~prepare a brief report describing the previous debt issued by~~  
9 ~~the special district and submit the report to the Legislative~~  
10 ~~Auditing Committee for their review and consideration.~~

11 ~~(5) Each audit required or authorized by this section,~~  
12 ~~when practicable, shall be made and completed within not more~~  
13 ~~than 12 months following the end of each fiscal year of the~~  
14 ~~state agency or political subdivision, if an annual audit, or~~  
15 ~~at such lesser time which may be provided by law or concurrent~~  
16 ~~resolution or directed by the Legislative Auditing Committee.~~  
17 ~~When the Auditor General is required by law to make a~~  
18 ~~financial audit of the whole or a portion of a fiscal year of~~  
19 ~~a political subdivision and his or her current workload of~~  
20 ~~audits of state agencies and political subdivisions is so~~  
21 ~~great that it is not practicable within the required time to~~  
22 ~~perform such audit and also to make financial audits of that~~  
23 ~~political subdivision as to any other period not previously~~  
24 ~~audited by him or her, then in his or her discretion the~~  
25 ~~Auditor General may temporarily or indefinitely postpone~~  
26 ~~audits of such other period or any portion thereof unless~~  
27 ~~otherwise directed by the committee.~~

28 ~~(6) The Legislative Auditing Committee may at any~~  
29 ~~time, without regard to whether the Legislature is then in~~  
30 ~~session or out of session, take under investigation any matter~~  
31 ~~within the scope of an audit either completed or then being~~



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1 ~~conducted by the Auditor General, and in connection with such~~  
2 ~~investigation may exercise the powers of subpoena by law~~  
3 ~~vested in a standing committee of the Legislature.~~

4 ~~(7)(a) The Auditor General may, when in his or her~~  
5 ~~judgment it is necessary, designate and direct any auditor~~  
6 ~~employed by the Auditor General to audit any accounts or~~  
7 ~~records within the power of the Auditor General to audit. The~~  
8 ~~auditor shall report his or her findings for review by the~~  
9 ~~Auditor General, who shall prepare the audit report.~~

10 ~~(b) The audit report when final shall be a public~~  
11 ~~record. The audit workpapers and notes are not a public~~  
12 ~~record; however, those workpapers necessary to support the~~  
13 ~~computations in the final audit report may be made available~~  
14 ~~by a majority vote of the Legislative Auditing Committee after~~  
15 ~~a public hearing showing proper cause. The audit workpapers~~  
16 ~~and notes shall be retained by the Auditor General until no~~  
17 ~~longer useful in his or her proper functions, after which time~~  
18 ~~they may be destroyed.~~

19 ~~(c) The audit report must make special mention of:~~

20 ~~1. Any violation of the laws within the scope of the~~  
21 ~~audit; and~~

22 ~~2. Any illegal or improper expenditure, any improper~~  
23 ~~accounting procedures, all failures to properly record~~  
24 ~~financial transactions, and all other inaccuracies,~~  
25 ~~irregularities, shortages, and defalcations.~~

26 ~~(d) At the conclusion of the audit, the Auditor~~  
27 ~~General or the Auditor General's designated representative~~  
28 ~~shall discuss the audit with the official whose office is~~  
29 ~~subject to audit and submit to that official a list of the~~  
30 ~~Auditor General's adverse findings which may be included in~~  
31 ~~the audit report. If the official is not available for receipt~~

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1 ~~of the list of adverse audit findings, clearly designated as~~  
2 ~~such, then delivery thereof is presumed to be made when it is~~  
3 ~~delivered to his or her office. The official shall submit to~~  
4 ~~the Auditor General or the designated representative, within~~  
5 ~~30 days after the receipt of the list of findings, his or her~~  
6 ~~written statement of explanation or rebuttal concerning all of~~  
7 ~~the findings, including therein corrective action to be taken~~  
8 ~~to preclude a recurrence of all adverse findings. Whenever~~  
9 ~~necessary, the Office of Program Policy Analysis and~~  
10 ~~Government Accountability may request the official to submit~~  
11 ~~his or her written statement of explanation or rebuttal within~~  
12 ~~15 days after the receipt of the list of findings.~~

13 ~~(e) Each agency head shall provide to the Legislative~~  
14 ~~Auditing Committee, within 6 months after the published date~~  
15 ~~of an audit report, a written explanation of the status of~~  
16 ~~recommendations contained in the report.~~

17 ~~(f) No later than 18 months after the release of a~~  
18 ~~performance audit report, the agencies which are the subject~~  
19 ~~of that report shall provide data and other information that~~  
20 ~~describes with specificity what the agencies have done to~~  
21 ~~respond to the recommendations contained in the report. The~~  
22 ~~Auditor General or the Office of Program Policy Analysis and~~  
23 ~~Government Accountability may verify the data and information~~  
24 ~~provided by the agencies. If the data and information~~  
25 ~~provided by the agencies are deemed sufficient and accurate,~~  
26 ~~the Auditor General or the Office of Program Policy Analysis~~  
27 ~~and Government Accountability shall report to the Joint~~  
28 ~~Legislative Auditing Committee and to the legislative standing~~  
29 ~~committees concerned with the subject areas of the audit. The~~  
30 ~~report shall include a summary of the agencies' responses, the~~  
31 ~~evaluation of those responses, and any recommendations deemed~~

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1 ~~to be appropriate. The followup report required by this~~  
2 ~~paragraph may be waived by joint action of the President of~~  
3 ~~the Senate and the Speaker of the House of Representatives~~  
4 ~~upon the recommendation of the Director of the Office of~~  
5 ~~Program Policy Analysis and Government Accountability.~~

6 ~~(8) If the Auditor General discovers any errors,~~  
7 ~~unusual practices, or any other discrepancies in connection~~  
8 ~~with his or her audits of a state agency or state officer, the~~  
9 ~~Auditor General shall, as soon as practicable, notify in~~  
10 ~~writing the President of the Senate and the Speaker of the~~  
11 ~~House of Representatives, respectively, who, in turn, shall~~  
12 ~~promptly thereafter forward a copy thereof to the chairs of~~  
13 ~~the respective legislative committees, which in the judgment~~  
14 ~~of the President of the Senate and the Speaker of the House of~~  
15 ~~Representatives. Thereafter, and in no event later than the~~  
16 ~~10th day of the next succeeding legislative session, the~~  
17 ~~person in charge of the state agency involved, or the state~~  
18 ~~officer involved, as the case may be, shall explain in writing~~  
19 ~~to the President of the Senate and the Speaker of the House of~~  
20 ~~Representatives and to the Legislative Auditing Committee the~~  
21 ~~reasons or justifications for such errors, unusual practices,~~  
22 ~~or discrepancies and the corrective measures, if any, taken by~~  
23 ~~the agency.~~

24 ~~(9) All agencies, other than state agencies as defined~~  
25 ~~herein, and all district school boards and district boards of~~  
26 ~~trustees of community colleges shall have the power to have a~~  
27 ~~performance audit or financial audit of their accounts and~~  
28 ~~records by an independent certified public accountant retained~~  
29 ~~by them and paid from their public funds.~~

30 ~~(10) The Auditor General shall provide annually a list~~  
31 ~~of those special districts which are in compliance with this~~

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1 ~~section and a list of those special districts which are not in~~  
2 ~~compliance with this section for the Special District~~  
3 ~~Information Program of the Department of Community Affairs.~~

4 ~~(11) In addition to any other provision of law~~  
5 ~~granting access to records and accounts, the Auditor General~~  
6 ~~may, pursuant to his or her own authority granted in this~~  
7 ~~subsection or at the direction of the Legislative Auditing~~  
8 ~~Committee, conduct audits of any direct-support organization~~  
9 ~~or citizen-support organization authorized by law. Independent~~  
10 ~~audits of direct-support organizations and citizen-support~~  
11 ~~organizations conducted by certified public accountants shall~~  
12 ~~be performed in accordance with rules adopted by the Auditor~~  
13 ~~General.~~

14 Section 4. Section 11.47, Florida Statutes, is amended  
15 to read:

16 11.47 Penalties; failure to make a proper audit or  
17 examination; making a false ~~audit~~ report; failure to produce  
18 documents or information.--

19 (1) All officers whose respective offices the Auditor  
20 General or the Office of Program Policy Analysis and  
21 Government Accountability is authorized to audit or examine  
22 shall enter into their public records sufficient information  
23 for proper audit or examination, and shall make the same  
24 available to the Auditor General or the Office of Program  
25 Policy Analysis and Government Accountability on demand.

26 (2) The willful failure or refusal of the Auditor  
27 General, director of the Office of Program Policy Analysis and  
28 Government Accountability, or any staff auditor employed by  
29 the Auditor General or the Office of Program Policy Analysis  
30 and Government Accountability to make a proper audit or  
31 examination in line with his or her duty, the willful making

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1 of a false report as to any audit or examination, or the  
 2 willful failure or refusal to report a shortage or  
 3 misappropriation of funds or property shall be cause for  
 4 removal from such office or employment, and the Auditor  
 5 General, the director of the Office of Program Policy Analysis  
 6 and Government Accountability, or a staff member ~~auditor~~ shall  
 7 be guilty of a misdemeanor of the first degree, punishable as  
 8 provided in s. 775.082 or s. 775.083.

9 (3) Any person who willfully fails or refuses to  
 10 furnish or produce any book, record, paper, document, data, or  
 11 sufficient information necessary to a proper audit or  
 12 examination which the Auditor General or the Office of Program  
 13 Policy Analysis and Government Accountability is by law  
 14 authorized to perform shall be guilty of a misdemeanor of the  
 15 first degree, punishable as provided in s. 775.082 or s.  
 16 775.083.

17 (4) Any officer who willfully fails or refuses to  
 18 furnish or produce any book, record, paper, document, data, or  
 19 sufficient information necessary to a proper audit or  
 20 examination which the Auditor General or the Office of Program  
 21 Policy Analysis and Government Accountability is by law  
 22 authorized to perform, shall be subject to removal from  
 23 office.

24 Section 5. Section 11.51, Florida Statutes, is amended  
 25 to read:

26 11.51 Office of Program Policy Analysis and Government  
 27 Accountability.--

28 (1) There is hereby created the Office of Program  
 29 Policy Analysis and Government Accountability as a unit of the  
 30 Office of the Auditor General appointed pursuant to s. 11.42.  
 31 The ~~Such~~ office shall perform independent examinations,

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1 program reviews, and other projects as provided by general  
2 law, concurrent resolution, or as directed by the Legislative  
3 Auditing Committee, and shall provide recommendations,  
4 training, or other services as may assist the Legislature  
5 ~~program evaluation and justification reviews as required by s.~~  
6 ~~11.513 and performance audits as defined in s. 11.45 and shall~~  
7 ~~contract for performance reviews of school districts pursuant~~  
8 ~~to ss. 11.515 and 230.2302.~~

9 (2) The Office of Program Policy Analysis and  
10 Government Accountability is independent of the Auditor  
11 General appointed pursuant to s. 11.42 ~~and the Public Counsel~~  
12 ~~appointed pursuant to s. 350.061~~ for purposes of general  
13 policies established by the Legislative Auditing Committee.

14 (3) The Office of Program Policy Analysis and  
15 Government Accountability shall maintain a schedule of  
16 examinations of state programs.

17 ~~(4)(3) The Auditor General shall provide~~  
18 ~~administrative support and services to the Office of Program~~  
19 ~~Policy Analysis and Government Accountability~~ is authorized to  
20 examine all entities and records listed in s. 11.45(3)(a) to  
21 ~~the extent required by the Legislative Auditing Committee.~~

22 (5) At the conclusion of an examination, the  
23 designated representative of the director of the Office of  
24 Program Policy Analysis and Government Accountability shall  
25 discuss the examination with the official whose office is  
26 examined and submit to that official the Office of Program  
27 Policy Analysis and Government Accountability's preliminary  
28 findings. If the official is not available for receipt of the  
29 preliminary findings, clearly designated as such, delivery  
30 thereof is presumed to be made when it is delivered to his or  
31 her office. Whenever necessary, the Office of Program Policy

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1 Analysis and Government Accountability may request the  
2 official to submit his or her written statement of explanation  
3 or rebuttal within 15 days after the receipt of the findings.  
4 If the response time is not requested to be within 15 days,  
5 the official shall submit his or her response within 30 days  
6 after receipt of the preliminary findings.

7 (6) No later than 18 months after the release of a  
8 report of the Office of Program Policy Analysis and Government  
9 Accountability, the agencies that are the subject of that  
10 report shall provide data and other information that describes  
11 with specificity what the agencies have done to respond to the  
12 recommendations contained in the report. The Office of Program  
13 Policy Analysis and Government Accountability may verify the  
14 data and information provided by the agencies. If the data and  
15 information provided by the agencies are deemed sufficient and  
16 accurate, the Office of Program Policy Analysis and Government  
17 Accountability shall report to the Legislative Auditing  
18 Committee and to the legislative standing committees concerned  
19 with the subject areas of the audit. The report shall include  
20 a summary of the agencies' responses, the evaluation of those  
21 responses, and any recommendations deemed to be appropriate.

22 Section 6. Section 11.511, Florida Statutes, is  
23 amended to read:

24 11.511 Director of the Office of Program Policy  
25 Analysis and Government Accountability; appointment;  
26 employment of staff; powers and duties.--

27 (1)(a) The Legislative Auditing Committee shall  
28 appoint a director of the Office of Program Policy Analysis  
29 and Government Accountability by majority vote of the  
30 committee, subject to confirmation by a majority vote of the  
31 Senate and the House of Representatives. At the time of

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1 appointment, the director must have had 10 years' experience  
2 in policy analysis and program evaluation. The reappointment  
3 of a director is subject to confirmation by a majority vote of  
4 the Senate and the House of Representatives. The Legislative  
5 Auditing Committee may appoint an interim director.

6 (b) The appointment of the director may be terminated  
7 at any time by a majority vote of the Senate and the House of  
8 Representatives.

9 (2)(a) The director shall take and subscribe to the  
10 oath of office required of state officers by the State  
11 Constitution.

12 (b) Until such time as each house confirms the  
13 appointment of the director, the appointee shall perform the  
14 functions as provided by law ~~in this section and s. 11.513.~~

15 (3)(a) The director shall make all spending decisions  
16 under the annual operating budget approved by the President of  
17 the Senate and the Speaker of the House of Representatives.  
18 The director shall employ and set the compensation of such  
19 professional, technical, legal, and clerical staff as may be  
20 necessary to fulfill the responsibilities of the Office of  
21 Program Policy Analysis and Government Accountability ~~perform~~  
22 ~~all the requirements of this section and s. 11.513,~~ in  
23 accordance with the joint policies and procedures of the  
24 President of the Senate and the Speaker of the House of  
25 Representatives, and may remove these personnel. The staff  
26 must be chosen to provide a broad background of experience and  
27 expertise and, to the maximum extent possible, to represent a  
28 range of disciplines that includes law, engineering, public  
29 administration, environmental science, policy analysis  
30 ~~science~~, economics, sociology, and philosophy.

31 (b) An officer or full-time employee of the Office of



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1 Program Policy Analysis and Government Accountability may not  
2 ~~actively engage in any other business or profession~~ serve as  
3 the representative of any political party or on any executive  
4 committee or other governing body thereof; receive  
5 remuneration for activities on behalf of any candidate for  
6 public office; or engage, on behalf of any candidate for  
7 public office, in the solicitation of votes or other  
8 activities in behalf of such candidacy. Neither the director  
9 of the Office of Program Policy Analysis and Government  
10 Accountability nor any employee of that office may become a  
11 candidate for election to public office unless he or she first  
12 resigns from office or employment.

13 (4) The director shall perform and/or contract for the  
14 performance of examinations ~~program evaluation and~~  
15 ~~justification reviews~~ and other ~~related~~ duties as prescribed  
16 by law. The director shall perform his or her duties  
17 independently but under general policies established by the  
18 Legislative Auditing Committee.

19 (5) The director may adopt and enforce reasonable  
20 rules necessary to facilitate the examinations ~~studies,~~  
21 ~~reviews, and reports,~~ and other tasks that he or she is  
22 authorized to perform.

23 (6) When the director determines that conducting an  
24 examination would not be possible due to workload limitations  
25 or the project does not appear to be of critical interest to  
26 the Legislature, then, with the consent of the President of  
27 the Senate and the Speaker of the House of Representatives,  
28 the director may temporarily or indefinitely postpone such  
29 examinations. ~~The director, with the consent of the President~~  
30 ~~of the Senate and the Speaker of the House of Representatives,~~  
31 ~~may modify the work schedule of the office in order to~~

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1 ~~concentrate its efforts on agency programs that are determined~~  
2 ~~to have high oversight priority. The modification may include~~  
3 ~~reduction or elimination of recurring performance audits~~  
4 ~~existing in law on July 1, 1999, but which do not appear to be~~  
5 ~~of critical interest to the Legislature.~~The director may at  
6 any time conduct a performance review of a governmental entity  
7 created by law.

8 Section 7. Section 11.513, Florida Statutes, is  
9 amended to read:

10 11.513 Program evaluation and justification review.--

11 (1) Each state agency shall be subject to a program  
12 evaluation and justification review by the Office of Program  
13 Policy Analysis and Government Accountability ~~in accordance~~  
14 ~~with the schedule provided in s. 216.0172~~ or as determined by  
15 the Legislative Auditing Committee. Each state agency shall  
16 offer its complete cooperation to the Office of Program Policy  
17 Analysis and Government Accountability so that such review may  
18 be accomplished.

19 (2) ~~A~~ A ~~Prior to the initiation of a state agency's~~  
20 ~~program evaluation and justification review and no later than~~  
21 ~~July 1 of the year in which a state agency begins operating~~  
22 ~~under a performance-based program budget, the state agency's~~  
23 ~~inspector general, internal auditor, or other person~~  
24 ~~designated by the agency head shall develop, in consultation~~  
25 ~~with the Office of Program Policy Analysis and Government~~  
26 ~~Accountability, a plan for monitoring and reviewing the state~~  
27 ~~agency's major programs to ensure that performance data are~~  
28 ~~maintained and supported by agency records.~~

29 (3) The program evaluation and justification review  
30 shall be conducted on major programs, but may include other  
31 programs. The review shall be comprehensive in its scope but,

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1 at a minimum, must be conducted in such a manner as to  
2 specifically determine the following, and to consider and  
3 determine what changes, if any, are needed with respect  
4 thereto:

5 (a) The identifiable cost of each program.

6 (b) The specific purpose of each program, as well as  
7 the specific public benefit derived therefrom.

8 (c) Progress toward achieving the outputs and outcomes  
9 associated with each program.

10 (d) An explanation of circumstances contributing to  
11 the state agency's ability to achieve, not achieve, or exceed  
12 its projected outputs and outcomes, as defined in s. 216.011,  
13 associated with each program.

14 (e) Alternate courses of action that would result in  
15 administration of the same program in a more efficient or  
16 effective manner. The courses of action to be considered must  
17 include, but are not limited to:

18 1. Whether the program could be organized in a more  
19 efficient and effective manner, whether the program's mission,  
20 goals, or objectives should be redefined, or, when the state  
21 agency cannot demonstrate that its efforts have had a positive  
22 effect, whether the program should be reduced in size or  
23 eliminated.

24 2. Whether the program could be administered more  
25 efficiently or effectively to avoid duplication of activities  
26 and ensure that activities are adequately coordinated.

27 3. Whether the program could be performed more  
28 efficiently or more effectively by another unit of government  
29 or a private entity, or whether a program performed by a  
30 private entity could be performed more efficiently and  
31 effectively by a state agency.

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1           4. When compared to costs, whether effectiveness  
2 warrants elimination of the program or, if the program serves  
3 a limited interest, whether it should be redesigned to require  
4 users to finance program costs.

5           5. Whether the cost to administer the program exceeds  
6 license and other fee revenues paid by those being regulated.

7           6. Whether other changes could improve the efficiency  
8 and effectiveness of the program.

9           (f) The consequences of discontinuing such program. If  
10 any discontinuation is recommended, such recommendation must  
11 be accompanied by a description of alternatives to implement  
12 such recommendation, including an implementation schedule for  
13 discontinuation and recommended procedures for assisting state  
14 agency employees affected by the discontinuation.

15           (g) Determination as to public policy, which may  
16 include recommendations as to whether it would be sound public  
17 policy to continue or discontinue funding the program, either  
18 in whole or in part, in the existing manner.

19           (h) Whether the information reported as part of the  
20 state's performance based program budgeting system ~~pursuant to~~  
21 ~~s. 216.031(5)~~ has relevance and utility for the evaluation of  
22 each program.

23           (i) Whether state agency management has established  
24 control systems sufficient to ensure that performance data are  
25 maintained and supported by state agency records and  
26 accurately presented in state agency performance reports.

27           (4) No later than December 1 of the second year  
28 following the year in which an agency begins operating under a  
29 performance-based program budget, the Office of Program Policy  
30 Analysis and Government Accountability shall submit a report  
31 of evaluation and justification review findings and

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1 recommendations to the President of the Senate, the Speaker of  
2 the House of Representatives, the chairpersons of the  
3 appropriate substantive committees, the chairpersons of the  
4 appropriations committees, the Legislative Auditing Committee,  
5 the Governor, the head of each state agency that was the  
6 subject of the evaluation and justification review, and the  
7 head of any state agency that is substantially affected by the  
8 findings and recommendations.

9 (5) The Legislature intends that the program  
10 evaluation and justification review procedure be designed to  
11 assess the efficiency, effectiveness, and long-term  
12 implications of current or alternative state policies, and  
13 that the procedure results in recommendations for the  
14 improvement of such policies and state government. To that  
15 end, whenever possible, all reports submitted pursuant to  
16 subsection (4) must include an identification of the estimated  
17 financial consequences, including any potential savings, that  
18 could be realized if the recommendations or alternative  
19 courses of action were implemented.

20 ~~(6) At any time, the Legislative Auditing Committee~~  
21 ~~may direct that a program evaluation and justification review~~  
22 ~~be conducted by the Office of Program Policy Analysis and~~  
23 ~~Government Accountability. In order to allow the office the~~  
24 ~~flexibility in carrying out the provisions of this act and to~~  
25 ~~reduce duplicative auditing requirements, the Legislative~~  
26 ~~Auditing Committee may waive the requirements of any law~~  
27 ~~existing as of the effective date of this act to conduct a~~  
28 ~~performance audit.~~

29 (6)(7) Evaluation and justification reviews may  
30 include consideration of programs provided by other agencies  
31 which are integrally related to the programs administered by

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1 the state agency or entity which is scheduled for review as  
2 ~~pursuant to s. 216.0172 or the schedule determined by the~~  
3 Legislative Auditing Committee.

4 ~~(8) If recommended by the director of the Office of~~  
5 ~~Program Policy Analysis and Government Accountability, the~~  
6 ~~President of the Senate and the Speaker of the House of~~  
7 ~~Representatives may jointly direct that any program evaluation~~  
8 ~~and justification review requirement existing on July 1, 1999,~~  
9 ~~be postponed to allow the Office of Program Policy Analysis~~  
10 ~~and Government Accountability to conduct a review of another~~  
11 ~~program considered more urgent.~~

12 Section 8. Subsection (15) of section 14.29, Florida  
13 Statutes, is amended to read:

14 14.29 Florida Commission on Community Service.--

15 (15) The direct-support organization shall provide for  
16 an annual financial ~~and compliance~~ audit ~~of its financial~~  
17 ~~accounts and records by an independent certified public~~  
18 ~~accountant in accordance with s. 215.98 rules established by~~  
19 ~~the commission. The annual audit report must be submitted to~~  
20 ~~the commission for review and approval. Upon approval, the~~  
21 ~~board shall certify the audit report to the Auditor General~~  
22 ~~for review.~~

23 Section 9. Paragraphs (f) and (g) of subsection (5) of  
24 section 20.055, Florida Statutes, are amended to read:

25 20.055 Agency inspectors general.--

26 (5) In carrying out the auditing duties and  
27 responsibilities of this act, each inspector general shall  
28 review and evaluate internal controls necessary to ensure the  
29 fiscal accountability of the state agency. The inspector  
30 general shall conduct financial, compliance, electronic data  
31 processing, and performance audits of the agency and prepare

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1 audit reports of his or her findings. The scope and assignment  
2 of the audits shall be determined by the inspector general;  
3 however, the agency head may at any time direct the inspector  
4 general to perform an audit of a special program, function, or  
5 organizational unit. The performance of the audit shall be  
6 under the direction of the inspector general, except that if  
7 the inspector general does not possess the qualifications  
8 specified in subsection (4), the director of auditing shall  
9 perform the functions listed in this subsection.

10 (f) The Auditor General, in connection with the  
11 independent postaudit of the same agency pursuant to s. 11.45,  
12 shall give appropriate consideration to internal audit reports  
13 and the resolution of findings therein. The Legislative  
14 Auditing Committee may inquire into the reasons or  
15 justifications for failure of the agency head to correct the  
16 deficiencies reported in internal audits that are also  
17 reported by the Auditor General and shall take appropriate  
18 action. ~~The Auditor General shall also review a sample of each~~  
19 ~~agency's internal audit reports at least once every 3 years to~~  
20 ~~determine compliance with current Standards for the~~  
21 ~~Professional Practice of Internal Auditing or, if appropriate,~~  
22 ~~generally accepted governmental auditing standards. If the~~  
23 ~~Auditor General finds that these standards have not been~~  
24 ~~complied with, the Auditor General shall include a statement~~  
25 ~~of this fact in the audit report of the agency.~~

26 (g) The inspector general shall monitor the  
27 implementation of the state agency's response to any report on  
28 audit of the state agency issued ~~conducted~~ by the Auditor  
29 General or by the Office of Program Policy Analysis and  
30 Government Accountability ~~pursuant to s. 11.45~~. No later than  
31 6 months after the Auditor General or the Office of Program

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1 Policy Analysis and Government Accountability publishes a  
2 report ~~on of the audit of~~ the state agency, the inspector  
3 general shall provide a written response ~~report~~ to the agency  
4 head on the status of corrective actions taken. The Inspector  
5 General shall file a copy of such response ~~report shall be~~  
6 ~~filed~~ with the Legislative Auditing Committee.

7 Section 10. Subsection (3) of section 20.2551, Florida  
8 Statutes, is amended to read:

9 20.2551 Citizen support organizations; use of  
10 property; audit; public records; partnerships.--

11 (3) ANNUAL AUDIT.--~~Each~~ Any citizen support  
12 organization ~~which has annual expenditures of \$100,000 or more~~  
13 shall provide for cause an annual financial audit in  
14 accordance with s. 215.98 ~~postaudit of its financial accounts~~  
15 ~~to be conducted by an independent certified public accountant~~  
16 ~~in accordance with rules to be adopted by the department. The~~  
17 ~~annual audit report shall be submitted to the Auditor General~~  
18 ~~and the department for review. The Auditor General and the~~  
19 ~~department are each authorized to require and obtain from the~~  
20 ~~citizen support organization, or from its independent auditor,~~  
21 ~~such data as may be needed relative to the operation of the~~  
22 ~~organization.~~

23 Section 11. Paragraph (c) of subsection (13) of  
24 section 24.105, Florida Statutes, is amended to read:

25 24.105 Powers and duties of department.--The  
26 department shall:

27 (13)

28 (c) Any information made confidential and exempt from  
29 the provisions of s. 119.07(1) under this subsection shall be  
30 disclosed to a member of the commission, to the Auditor  
31 General, to the Office of Program Policy Analysis and



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1 Government Accountability, or to the independent auditor  
2 selected under s. 24.123 upon such person's request therefor.  
3 If the President of the Senate or the Speaker of the House of  
4 Representatives certifies that information made confidential  
5 under this subsection is necessary for effecting legislative  
6 changes, the requested information shall be disclosed to him  
7 or her, and he or she may disclose such information to members  
8 of the Legislature and legislative staff as necessary to  
9 effect such purpose.

10 Section 12. Subsection (4) of section 24.120, Florida  
11 Statutes, is amended to read:

12 24.120 Financial matters; Administrative Trust Fund;  
13 interagency cooperation.--

14 (4) The department shall cooperate with the State  
15 Treasurer, the Comptroller, ~~and~~ the Auditor General, and the  
16 Office of Program Policy Analysis and Government  
17 Accountability by giving employees designated by any of them  
18 access to facilities of the department for the purpose of  
19 efficient compliance with their respective responsibilities.

20 Section 13. Subsection (1) and paragraph (a) of  
21 subsection (2) of section 27.3455, Florida Statutes, are  
22 amended to read:

23 27.3455 Annual statement of certain revenues and  
24 expenditures.--

25 (1) Each county shall submit annually to the  
26 Comptroller ~~and the Auditor General~~ a statement of revenues  
27 and expenditures as set forth in this section in the form and  
28 manner prescribed by the Comptroller in consultation with the  
29 Legislative Committee on Intergovernmental Relations, provided  
30 that such statement identify total county expenditures on:

31 (a) Medical examiner services.

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- 1 (b) County victim witness programs.
- 2 (c) Each of the services outlined in ss. 27.34(2) and
- 3 27.54(3).
- 4 (d) Appellate filing fees in criminal cases in which
- 5 an indigent defendant appeals a judgment of a county or
- 6 circuit court to a district court of appeal or the Florida
- 7 Supreme Court.
- 8 (e) Other court-related costs of the state attorney
- 9 and public defender that were paid by the county where such
- 10 costs were included in a judgment or order rendered by the
- 11 trial court against the county.

12  
13 Such statement also shall identify the revenues provided by s.  
14 938.05(1) that were used to meet or reimburse the county for  
15 such expenditures.

16 (2)(a) Within 6 months of the close of the local  
17 government fiscal year, each county shall submit to the  
18 Comptroller a statement of compliance from its independent  
19 certified public accountant, engaged pursuant to s. 218.39  
20 ~~chapter 11~~, that the certified statement of expenditures was  
21 in accordance with ss. 27.34(2), 27.54(3), and this section.  
22 All discrepancies noted by the independent certified public  
23 accountant shall be included in the statement furnished by the  
24 county to the Comptroller.

25 Section 14. Subsection (5) of section 30.51, Florida  
26 Statutes, is amended to read:

27 30.51 Fees and commissions.--

28 (5) All fees, commissions, or other funds collected by  
29 the sheriff for services rendered or performed by his or her  
30 office shall be remitted monthly to the county, ~~in the manner~~  
31 ~~prescribed by the auditor general.~~

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1           Section 15. Paragraph (k) of subsection (2) of section  
2 39.202, Florida Statutes, is amended to read:

3           39.202 Confidentiality of reports and records in cases  
4 of child abuse or neglect.--

5           (2) Access to such records, excluding the name of the  
6 reporter which shall be released only as provided in  
7 subsection (4), shall be granted only to the following  
8 persons, officials, and agencies:

9           (k) Any appropriate official of a Florida advocacy  
10 council investigating a report of known or suspected child  
11 abuse, abandonment, or neglect; the Auditor General or the  
12 Office of Program Policy Analysis and Government  
13 Accountability for the purpose of conducting audits or  
14 examinations ~~preliminary or compliance reviews~~ pursuant to law  
15 ~~s. 11.45~~; or the guardian ad litem for the child.

16           Section 16. Subsection (1) of section 110.109, Florida  
17 Statutes, is amended to read:

18           110.109 Productivity improvement and personnel audits  
19 of executive branch agencies.--The department shall be  
20 responsible for conducting personnel audits of all executive  
21 branch agencies, except the State University System, to  
22 provide as follows:

23           (1) In order to provide for the improvement of  
24 productivity and human resources management, the department  
25 shall have the authority to conduct agency personnel  
26 administration and management reviews to assist agencies in  
27 identifying areas of recommended improvement. Such reviews  
28 shall be conducted in cooperation with the internal auditor of  
29 the employing agency so as to ascertain the operational  
30 necessity and effectiveness of agency personnel programs and  
31 human resource management. A copy of any such reviews made by

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1 the department shall be submitted to the Legislature, and the  
2 Auditor General, and the Office of Program Policy Analysis and  
3 Government Accountability.

4 Section 17. Paragraph (a) of subsection (9) of section  
5 112.313, Florida Statutes, is amended to read:

6 112.313 Standards of conduct for public officers,  
7 employees of agencies, and local government attorneys.--

8 (9) POSTEMPLOYMENT RESTRICTIONS; STANDARDS OF CONDUCT  
9 FOR LEGISLATORS AND LEGISLATIVE EMPLOYEES.--

10 (a)1. It is the intent of the Legislature to implement  
11 by statute the provisions of s. 8(e), Art. II of the State  
12 Constitution relating to legislators, statewide elected  
13 officers, appointed state officers, and designated public  
14 employees.

15 2. As used in this paragraph:

16 a. "Employee" means:

17 (I) Any person employed in the executive or  
18 legislative branch of government holding a position in the  
19 Senior Management Service as defined in s. 110.402 or any  
20 person holding a position in the Selected Exempt Service as  
21 defined in s. 110.602 or any person having authority over  
22 policy or procurement employed by the Department of the  
23 Lottery.

24 (II) The Auditor General, the director of the Office  
25 of Program Policy Analysis and Government Accountability, the  
26 Sergeant at Arms and Secretary of the Senate, and the Sergeant  
27 at Arms and Clerk of the House of Representatives.

28 (III) The executive director of the Legislative  
29 Committee on Intergovernmental Relations and the executive  
30 director and deputy executive director of the Commission on  
31 Ethics.

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1 (IV) An executive director, staff director, or deputy  
2 staff director of each joint committee, standing committee, or  
3 select committee of the Legislature; an executive director,  
4 staff director, executive assistant, analyst, or attorney of  
5 the Office of the President of the Senate, the Office of the  
6 Speaker of the House of Representatives, the Senate Majority  
7 Party Office, Senate Minority Party Office, House Majority  
8 Party Office, or House Minority Party Office; or any person,  
9 hired on a contractual basis, having the power normally  
10 conferred upon such persons, by whatever title.

11 (V) The Chancellor and Vice Chancellors of the State  
12 University System; the general counsel to the Board of  
13 Regents; and the president, vice presidents, and deans of each  
14 state university.

15 (VI) Any person having the power normally conferred  
16 upon the positions referenced in this sub-subparagraph.

17 b. "Appointed state officer" means any member of an  
18 appointive board, commission, committee, council, or authority  
19 of the executive or legislative branch of state government  
20 whose powers, jurisdiction, and authority are not solely  
21 advisory and include the final determination or adjudication  
22 of any personal or property rights, duties, or obligations,  
23 other than those relative to its internal operations.

24 c. "State agency" means an entity of the legislative,  
25 executive, or judicial branch of state government over which  
26 the Legislature exercises plenary budgetary and statutory  
27 control.

28 3. No member of the Legislature, appointed state  
29 officer, or statewide elected officer shall personally  
30 represent another person or entity for compensation before the  
31 government body or agency of which the individual was an

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1 officer or member for a period of 2 years following vacation  
2 of office. No member of the Legislature shall personally  
3 represent another person or entity for compensation during his  
4 or her term of office before any state agency other than  
5 judicial tribunals or in settlement negotiations after the  
6 filing of a lawsuit.

7 4. No agency employee shall personally represent  
8 another person or entity for compensation before the agency  
9 with which he or she was employed for a period of 2 years  
10 following vacation of position, unless employed by another  
11 agency of state government.

12 5. Any person violating this paragraph shall be  
13 subject to the penalties provided in s. 112.317 and a civil  
14 penalty of an amount equal to the compensation which the  
15 person receives for the prohibited conduct.

16 6. This paragraph is not applicable to:

17 a. A person employed by the Legislature or other  
18 agency prior to July 1, 1989;

19 b. A person who was employed by the Legislature or  
20 other agency on July 1, 1989, whether or not the person was a  
21 defined employee on July 1, 1989;

22 c. A person who was a defined employee of the State  
23 University System or the Public Service Commission who held  
24 such employment on December 31, 1994;

25 d. A person who has reached normal retirement age as  
26 defined in s. 121.021(29), and who has retired under the  
27 provisions of chapter 121 by July 1, 1991; or

28 e. Any appointed state officer whose term of office  
29 began before January 1, 1995, unless reappointed to that  
30 office on or after January 1, 1995.

31 Section 18. Paragraphs (a) and (c) of subsection (7)

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1 of section 112.324, Florida Statutes, are amended to read:

2 112.324 Procedures on complaints of violations.--

3 (7) If, in cases pertaining to complaints other than  
4 complaints against impeachable officers or members of the  
5 Legislature, upon completion of a full and final investigation  
6 by the commission, the commission finds that there has been a  
7 violation of this part or of s. 8, Art. II of the State  
8 Constitution, it shall be the duty of the commission to report  
9 its findings and recommend appropriate action to the proper  
10 disciplinary official or body as follows, and such official or  
11 body shall have the power to invoke the penalty provisions of  
12 this part, including the power to order the appropriate  
13 elections official to remove a candidate from the ballot for a  
14 violation of s. 112.3145 or s. 8(a) and (i), Art. II of the  
15 State Constitution:

16 (a) The President of the Senate and the Speaker of the  
17 House of Representatives, jointly, in any case concerning the  
18 Public Counsel, members of the Public Service Commission,  
19 members of the Public Service Commission Nominating Council,  
20 the Auditor General, the director of the Office of Program  
21 Policy Analysis and Government Accountability, or members of  
22 the Legislative Committee on Intergovernmental Relations.

23 (c) The President of the Senate, in any case  
24 concerning an employee of the Senate; the Speaker of the House  
25 of Representatives, in any case concerning an employee of the  
26 House of Representatives; or the President and the Speaker,  
27 jointly, in any case concerning an employee of a committee of  
28 the Legislature whose members are appointed solely by the  
29 President and the Speaker or in any case concerning an  
30 employee of the Public Counsel, Public Service Commission,  
31 Auditor General, Office of Program Policy Analysis and

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1 Government Accountability, or Legislative Committee on  
2 Intergovernmental Relations.

3 Section 19. Subsection (2) of section 112.63, Florida  
4 Statutes, is amended to read:

5 112.63 Actuarial reports and statements of actuarial  
6 impact; review.--

7 (2) The frequency of actuarial reports must be at  
8 least every 3 years commencing from the last actuarial report  
9 of the plan or system or October 1, 1980, if no actuarial  
10 report has been issued within the 3-year period prior to  
11 October 1, 1979. The results of each actuarial report shall be  
12 filed with the plan administrator within 60 days of  
13 certification. Thereafter, the results of each actuarial  
14 report shall be made available for inspection upon request.  
15 Additionally, each retirement system or plan covered by this  
16 act which is not administered directly by the Department of  
17 Management Services shall furnish a copy of each actuarial  
18 report to the Department of Management Services within 60 days  
19 after receipt from the actuary. The requirements of this  
20 section are supplemental to actuarial valuations necessary to  
21 comply with the requirements of ss. 218.321 ~~11.45~~ and 218.39  
22 ~~218.32~~.

23 Section 20. Section 116.07, Florida Statutes, is  
24 amended to read:

25 116.07 Account books to be kept by sheriffs and  
26 clerks.--All sheriffs and clerks of the circuit court and ex  
27 officio clerks of the boards of county commissioners of this  
28 state shall keep books of account and of record in accordance  
29 with s. 218.33 ~~forms to be approved by the Auditor General,~~  
30 ~~except such books and forms as are now otherwise provided for~~  
31 ~~by law.~~



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1           Section 21. Subsection (6) of section 119.07, Florida  
2 Statutes, is amended to read:

3           119.07 Inspection, examination, and duplication of  
4 records; exemptions.--

5           (6) Nothing in subsection (3) or any other general or  
6 special law shall limit the access of the Auditor General, the  
7 Office of Program Policy Analysis and Government  
8 Accountability, or any state, county, municipal, university,  
9 board of community college, school district, or special  
10 district internal auditor to public records when such person  
11 ~~auditor~~ states in writing that such records are needed for a  
12 properly authorized audit, examination, or investigation. Such  
13 person ~~auditor~~ shall maintain the confidentiality of any  
14 public records that are confidential or exempt from the  
15 provisions of subsection (1) and shall be subject to the same  
16 penalties as the custodians of those public records for  
17 violating confidentiality.

18           Section 22. Paragraph (b) of subsection (8) of section  
19 122.03, Florida Statutes, is amended to read:

20           122.03 Contributions; participants; prior service  
21 credit.--

22           (8) Any surviving spouse of a county official or  
23 former county official, who was formerly employed full time in  
24 the office of the county official and who is presently  
25 employed by the said county official or is a county official  
26 of any such county and who did not receive compensation for a  
27 period of more than 10 years as such employee, may receive  
28 credit for retirement purposes as provided for in this chapter  
29 by:

30           (b) Submitting affidavits from ~~one assistant auditor~~  
31 ~~general and~~ two county officials or former county officials

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1 from any such county to substantiate said employment.

2 Section 23. Subsection (7) of section 122.08, Florida  
3 Statutes, is amended to read:

4 122.08 Requirements for retirement;  
5 classifications.--There shall be two retirement  
6 classifications for all state and county officers and  
7 employees participating herein as hereafter provided in this  
8 section:

9 (7) No state or county official or employee who has a  
10 shortage in his or her accounts, ~~as certified by the Auditor~~  
11 ~~General~~, may retire or receive any benefits under this chapter  
12 so long as such shortage exists.

13 Section 24. Paragraph (x) of subsection (1) of section  
14 125.01, Florida Statutes, is amended to read:

15 125.01 Powers and duties.--

16 (1) The legislative and governing body of a county  
17 shall have the power to carry on county government. To the  
18 extent not inconsistent with general or special law, this  
19 power includes, but is not restricted to, the power to:

20 (x) Employ an independent certified public accounting  
21 firm to audit any funds, accounts, and financial records of  
22 the county and its agencies and governmental subdivisions.  
23 Entities that are funded wholly or in part by the county, at  
24 the discretion of the county, may be required by the county to  
25 conduct a performance audit paid for by the county. An entity  
26 shall not be considered as funded by the county by virtue of  
27 the fact that such entity utilizes the county to collect  
28 taxes, assessments, fees, or other revenue. If an independent  
29 special district receives county funds pursuant to a contract  
30 or interlocal agreement for the purposes of funding, in whole  
31 or in part, a discrete program of the district, only that

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1 program may be required by the county to undergo a performance  
2 audit. Not fewer than five copies of each complete audit  
3 report, with accompanying documents, shall be filed with the  
4 clerk of the circuit court and maintained there for public  
5 inspection. The clerk shall thereupon forward one complete  
6 copy of the audit report with accompanying documents to the  
7 Auditor General, ~~who shall retain the same as a public record~~  
8 ~~for 10 years from receipt thereof.~~

9 Section 25. Subsection (1) of section 145.022, Florida  
10 Statutes, is amended to read:

11 145.022 Guaranteed salary upon resolution of board of  
12 county commissioners.--

13 (1) Any board of county commissioners, with the  
14 concurrence of the county official involved, shall by  
15 resolution guarantee and appropriate a salary to the county  
16 official, in an amount specified in this chapter, if all fees  
17 collected by such official are turned over to the board of  
18 county commissioners. Such a resolution is applicable only  
19 with respect to the county official who concurred in its  
20 adoption and only for the duration of such official's tenure  
21 in his or her current term of office. ~~Copies of the~~  
22 ~~resolution adopted shall be filed with the Department of~~  
23 ~~Banking and Finance and the Auditor General.~~

24 Section 26. Subsection (2) of section 145.14, Florida  
25 Statutes, is amended to read:

26 145.14 Compensation of other county officials;  
27 guarantee.--

28 (2) With the concurrence of any county officer  
29 described by subsection (1), any board of county commissioners  
30 may by resolution guarantee and appropriate to that officer a  
31 salary not to exceed \$9,600 in lieu of fees, if all fees

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1 collected are turned over to the board of county  
2 commissioners. ~~Copies of the resolution shall be filed with~~  
3 ~~the Department of Banking and Finance and the Auditor General.~~

4 Section 27. Paragraph (o) of subsection (1) of section  
5 154.11, Florida Statutes, is amended to read:

6 154.11 Powers of board of trustees.--

7 (1) The board of trustees of each public health trust  
8 shall be deemed to exercise a public and essential  
9 governmental function of both the state and the county and in  
10 furtherance thereof it shall, subject to limitation by the  
11 governing body of the county in which such board is located,  
12 have all of the powers necessary or convenient to carry out  
13 the operation and governance of designated health care  
14 facilities, including, but without limiting the generality of,  
15 the foregoing:

16 (o) To employ certified public accountants to audit  
17 and analyze the records of the board and to prepare financial  
18 or revenue statements of the board; however, this paragraph  
19 shall not in any way affect any responsibility of the Auditor  
20 General pursuant to s. 11.45 ~~in connection with the records of~~  
21 ~~the board.~~

22 Section 28. Paragraph (d) of subsection (2) of section  
23 154.331, Florida Statutes, is amended to read:

24 154.331 County health and mental health care special  
25 districts.--Each county may establish a dependent special  
26 district pursuant to the provisions of chapter 125 or, by  
27 ordinance, create an independent special district as defined  
28 in s. 200.001(8)(e) to provide funding for indigent and other  
29 health and mental health care services throughout the county  
30 in accordance with this section. The county governing body  
31 shall obtain approval, by a majority vote of the electors, to

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1 establish the district with authority to annually levy ad  
2 valorem taxes which shall not exceed the maximum millage rate  
3 authorized by this section. Any independent health or mental  
4 health care special district created by this section shall be  
5 required to levy and fix millage subject to the provisions of  
6 s. 200.065. Once approved by the electorate, the independent  
7 health or mental health care special district shall not be  
8 required to seek approval of the electorate in future years to  
9 levy the previously approved millage.

10 (2)

11 (d) All financial records and accounts relating to the  
12 independent health or mental health care special district  
13 shall be available for review by the county governing body ~~and~~  
14 ~~for audit by state auditors assigned from time to time to~~  
15 ~~audit the affairs of the county officials.~~

16 Section 29. Paragraph (c) of subsection (3) of section  
17 163.356, Florida Statutes, is amended to read:

18 163.356 Creation of community redevelopment agency.--

19 (3)

20 (c) The governing body of the county or municipality  
21 shall designate a chair and vice chair from among the  
22 commissioners. An agency may employ an executive director,  
23 technical experts, and such other agents and employees,  
24 permanent and temporary, as it requires, and determine their  
25 qualifications, duties, and compensation. For such legal  
26 service as it requires, an agency may employ or retain its own  
27 counsel and legal staff. An agency authorized to transact  
28 business and exercise powers under this part shall file with  
29 the governing body ~~and with the Auditor General~~, on or before  
30 March 31 of each year, a report of its activities for the  
31 preceding fiscal year, which report shall include a complete

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1 financial statement setting forth its assets, liabilities,  
2 income, and operating expenses as of the end of such fiscal  
3 year. At the time of filing the report, the agency shall  
4 publish in a newspaper of general circulation in the community  
5 a notice to the effect that such report has been filed with  
6 the county or municipality and that the report is available  
7 for inspection during business hours in the office of the  
8 clerk of the city or county commission and in the office of  
9 the agency.

10 Section 30. Paragraph (b) of subsection (1) of section  
11 175.261, Florida Statutes, is amended to read:

12 175.261 Annual report to Division of Retirement;  
13 actuarial valuations.--For any municipality, special fire  
14 control district, chapter plan, local law municipality, local  
15 law special fire control district, or local law plan under  
16 this chapter, the board of trustees for every chapter plan and  
17 local law plan shall submit the following reports to the  
18 division:

19 (1) With respect to chapter plans:

20 (b) In addition to annual reports provided under  
21 paragraph (a), by February 1 of each triennial year, an  
22 actuarial valuation of the chapter plan must be made by the  
23 division at least once every 3 years, as provided in s.  
24 112.63, commencing 3 years from the last actuarial valuation  
25 of the plan or system for existing plans, or commencing 3  
26 years from issuance of the initial actuarial impact statement  
27 submitted under s. 112.63 for newly created plans. To that  
28 end, the chair of the board of trustees for each firefighters'  
29 pension trust fund operating under a chapter plan shall report  
30 to the division such data as it needs to complete an actuarial  
31 valuation of each fund. The forms for each municipality and

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1 special fire control district shall be supplied by the  
2 division. The expense of this actuarial valuation shall be  
3 borne by the firefighters' pension trust fund established by  
4 ss. 175.041 and 175.121. The requirements of this section are  
5 supplemental to the actuarial valuations necessary to comply  
6 with ss. 218.321 ~~11.45~~ and 218.39 ~~218.32~~.

7 Section 31. Paragraph (b) of subsection (1) of section  
8 185.221, Florida Statutes, is amended to read:

9 185.221 Annual report to Division of Retirement;  
10 actuarial valuations.--For any municipality, chapter plan,  
11 local law municipality, or local law plan under this chapter,  
12 the board of trustees for every chapter plan and local law  
13 plan shall submit the following reports to the division:

14 (1) With respect to chapter plans:

15 (b) In addition to annual reports provided under  
16 paragraph (a), by February 1 of each triennial year, an  
17 actuarial valuation of the chapter plan must be made by the  
18 division at least once every 3 years, as provided in s.  
19 112.63, commencing 3 years from the last actuarial valuation  
20 of the plan or system for existing plans, or commencing 3  
21 years from the issuance of the initial actuarial impact  
22 statement submitted under s. 112.63 for newly created plans.  
23 To that end, the chair of the board of trustees for each  
24 municipal police officers' retirement trust fund operating  
25 under a chapter plan shall report to the division such data as  
26 the division needs to complete an actuarial valuation of each  
27 fund. The forms for each municipality shall be supplied by  
28 the division. The expense of the actuarial valuation shall be  
29 borne by the municipal police officers' retirement trust fund  
30 established by s. 185.10. The requirements of this section are  
31 supplemental to the actuarial valuations necessary to comply

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1 with ss. 218.321 ~~11.45~~ and 218.39 ~~218.32~~.

2 Section 32. Subsection (2) of section 189.4035,  
3 Florida Statutes, is amended to read:

4 189.4035 Preparation of official list of special  
5 districts.--

6 (2) The official list shall be produced by the  
7 department after the department has notified each special  
8 district that is currently reporting to the department, the  
9 Department of Banking and Finance pursuant to s. 218.32, or  
10 the Auditor General pursuant to s. 218.39 ~~11.45~~. Upon  
11 notification, each special district shall submit, within 60  
12 days, its determination of its status. The determination  
13 submitted by a special district shall be consistent with the  
14 status reported in the most recent local government audit of  
15 district activities submitted to the Auditor General pursuant  
16 to s. 218.39 ~~11.45~~.

17 Section 33. Subsection (1) of section 189.412, Florida  
18 Statutes, is amended to read:

19 189.412 Special District Information Program; duties  
20 and responsibilities.--The Special District Information  
21 Program of the Department of Community Affairs is created and  
22 has the following special duties:

23 (1) The collection and maintenance of special district  
24 compliance status reports from the Auditor General, the  
25 Department of Banking and Finance, the Division of Bond  
26 Finance of the State Board of Administration, the Department  
27 of Management Services, the Department of Revenue, and the  
28 Commission on Ethics for the reporting required in ss. ~~11.45,~~  
29 112.3144, 112.3145, 112.3148, 112.3149, 112.63, 200.068,  
30 218.32, 218.34, 218.38, 218.39, and 280.17 and chapter 121 and  
31 from state agencies administering programs that distribute



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1 money to special districts. The special district compliance  
 2 status reports must consist of a list of special districts  
 3 used in that state agency and a list of which special  
 4 districts did not comply with the reporting statutorily  
 5 required by that agency.

6 Section 34. Paragraphs (f) and (g) of subsection (5)  
 7 of section 189.428, Florida Statutes, are amended to read:

8 189.428 Special districts; oversight review process.--

9 (5) Those conducting the oversight review process  
 10 shall, at a minimum, consider the listed criteria for  
 11 evaluating the special district, but may also consider any  
 12 additional factors relating to the district and its  
 13 performance. If any of the listed criteria do not apply to  
 14 the special district being reviewed, they need not be  
 15 considered. The criteria to be considered by the reviewer  
 16 include:

17 (f) Whether the Auditor General has notified the  
 18 Legislative Auditing Committee ~~determined~~ that the special  
 19 district's audit report, reviewed pursuant to s. 11.45(7),  
 20 indicates that a deteriorating financial condition exists that  
 21 may cause a condition described in s. 218.503(1) to occur if  
 22 actions are not taken to address such condition ~~district is or~~  
 23 ~~may be in a state of financial emergency or has been~~  
 24 ~~experiencing financial difficulty during any of the last 3~~  
 25 ~~fiscal years for which data are available.~~

26 (g) Whether the Auditor General has determined that  
 27 the special district is in a state of financial emergency as  
 28 provided in s. 218.503(1), and has notified the Governor and  
 29 the Legislative Auditing Committee ~~failed to receive an audit~~  
 30 ~~report and has made a determination that the special district~~  
 31 ~~was required or may have been required to file an audit report~~

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1 ~~during any of the last 3 fiscal years for which the data are~~  
2 ~~available.~~

3 Section 35. Section 193.074, Florida Statutes, is  
4 amended to read:

5 193.074 Confidentiality of returns.--All returns of  
6 property and returns required by s. 201.022 submitted by the  
7 taxpayer pursuant to law shall be deemed to be confidential in  
8 the hands of the property appraiser, the clerk of the circuit  
9 court, the department, the tax collector, ~~and~~ the Auditor  
10 General, and the Office of Program Policy Analysis and  
11 Government Accountability, and their employees and persons  
12 acting under their supervision and control, except upon court  
13 order or order of an administrative body having quasi-judicial  
14 powers in ad valorem tax matters, and such returns are exempt  
15 from the provisions of s. 119.07(1).

16 Section 36. Section 195.084, Florida Statutes, is  
17 amended to read:

18 195.084 Information exchange.--

19 (1) The department shall promulgate rules and  
20 regulations for the exchange of information among the  
21 department, the property appraisers' offices, the tax  
22 collector, ~~and~~ the Auditor General, and the Office of Program  
23 Policy Analysis and Government Accountability. All records  
24 and returns of the department useful to the property appraiser  
25 or the tax collector shall be made available upon request but  
26 subject to the reasonable conditions imposed by the  
27 department. This section shall supersede statutes prohibiting  
28 disclosure only with respect to the property appraiser, the  
29 tax collector, ~~and~~ the Auditor General, and the Office of  
30 Program Policy Analysis and Government Accountability, but the  
31 department may establish regulations setting reasonable

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1 conditions upon the access to and custody of such information.  
 2 The Auditor General, the Office of Program Policy Analysis and  
 3 Government Accountability, the tax collectors, and the  
 4 property appraisers shall be bound by the same requirements of  
 5 confidentiality as the Department of Revenue. Breach of  
 6 confidentiality shall be a misdemeanor of the first degree,  
 7 punishable as provided by ss. 775.082 and 775.083.

8 (2) All of the records of property appraisers and  
 9 collectors, including, but not limited to, worksheets and  
 10 property record cards, shall be made available to the  
 11 Department of Revenue, the and Auditor General, and the Office  
 12 of Program Policy Analysis and Government Accountability.  
 13 Property appraisers and collectors are hereby directed to  
 14 cooperate fully with representatives of the Department of  
 15 Revenue, the and Auditor General, and the Office of Program  
 16 Policy Analysis and Government Accountability in realizing the  
 17 objectives stated in s. 195.0012.

18 Section 37. Subsection (7) of section 195.096, Florida  
 19 Statutes, is amended to read:

20 195.096 Review of assessment rolls.--

21 (7) The Auditor General shall conduct a ~~have the~~  
 22 ~~responsibility to perform~~ performance audit ~~audits~~ of the  
 23 administration of ad valorem tax laws by the department  
 24 ~~pursuant to the general authority granted in chapter 11. Such~~  
 25 ~~performance audits shall be conducted~~ triennially following  
 26 completion of reviews conducted pursuant to this section. The  
 27 ~~performance audit report~~ report ~~conducted pursuant to this subsection~~  
 28 shall be ~~formally~~ submitted to the Legislature no later than  
 29 April 1, on a triennial basis, reporting on the activities of  
 30 the ad valorem tax program of the Department of Revenue  
 31 related to the ad valorem tax rolls. The Auditor General shall

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1 include, for at least four counties so reviewed, findings as  
2 to the accuracy of assessment procedures, projections, and  
3 computations made by the division, utilizing the same  
4 generally accepted appraisal standards and procedures to which  
5 the division and the property appraisers are required to  
6 adhere. However, the report shall not include any findings or  
7 statistics related to any ad valorem tax roll which is in  
8 litigation between the state and county officials at the time  
9 the report is to be issued.

10 Section 38. Paragraph (c) of subsection (4) of section  
11 196.101, Florida Statutes, is amended to read:

12 196.101 Exemption for totally and permanently disabled  
13 persons.--

14 (4)

15 (c) The department shall require by rule that the  
16 taxpayer annually submit a sworn statement of gross income,  
17 pursuant to paragraph (a). The department shall require that  
18 the filing of such statement be accompanied by copies of  
19 federal income tax returns for the prior year, wage and  
20 earnings statements (W-2 forms), and other documents it deems  
21 necessary, for each member of the household. The taxpayer's  
22 statement shall attest to the accuracy of such copies. The  
23 department shall prescribe and furnish a form to be used for  
24 this purpose which form shall include spaces for a separate  
25 listing of United States Department of Veterans Affairs  
26 benefits and social security benefits. All records produced  
27 by the taxpayer under this paragraph are confidential in the  
28 hands of the property appraiser, the department, the tax  
29 collector, ~~and~~ the Auditor General, and the Office of Program  
30 Policy Analysis and Government Accountability and shall not be  
31 divulged to any person, firm, or corporation except upon court

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1 order or order of an administrative body having quasi-judicial  
2 powers in ad valorem tax matters, and such records are exempt  
3 from the provisions of s. 119.07(1).

4 Section 39. Paragraph (b) of subsection (1) of section  
5 206.60, Florida Statutes, is amended to read:

6 206.60 County tax on motor fuel.--

7 (1) The proceeds of the county fuel tax imposed  
8 pursuant to s. 206.41(1)(b) are appropriated for public  
9 transportation purposes in the manner following:

10 (b)1. The Department of Revenue shall, from month to  
11 month, distribute the amount allocated to each of the several  
12 counties under paragraph (a) to the board of county  
13 commissioners of the county, who shall use such funds solely  
14 for the acquisition of rights-of-way; the construction,  
15 reconstruction, operation, maintenance, and repair of  
16 transportation facilities, roads, and bridges therein; or the  
17 reduction of bonded indebtedness of such county or of special  
18 road and bridge districts within such county, incurred for  
19 road and bridge or other transportation purposes. In the event  
20 the powers and duties relating to transportation facilities,  
21 roads, and bridges usually exercised and performed by boards  
22 of county commissioners are exercised and performed by some  
23 other or separate county board, such board shall receive the  
24 proceeds, exercise the powers, and perform the duties  
25 designated in this section to be done by the boards of county  
26 commissioners.

27 2. The board of county commissioners of each county,  
28 or any separate board or local agency exercising the powers  
29 and performing the duties relating to transportation  
30 facilities, roads, and bridges usually exercised and performed  
31 by the boards of county commissioners, shall be assigned the

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1 full responsibility for the maintenance of transportation  
2 facilities in the county and of roads in the county road  
3 system.

4 ~~3. In calculating the distribution of funds under~~  
5 ~~paragraph (a), the Department of Revenue shall obtain from the~~  
6 ~~Auditor General the certification of the level of assessment~~  
7 ~~in each district and shall pay only the amount of money which~~  
8 ~~is derived by multiplying said ratio and the amount which~~  
9 ~~would be due a district under paragraph (a). The funds which~~  
10 ~~are raised under this section but are not distributed under~~  
11 ~~this section shall be deposited in the Fuel Tax Collection~~  
12 ~~Trust Fund. All funds placed in the Fuel Tax Collection Trust~~  
13 ~~Fund shall be distributed in the same manner as provided in~~  
14 ~~paragraphs (a) and (b).~~

15 3.4. Nothing in this paragraph as amended by chapter  
16 71-212, Laws of Florida, shall be construed to permit the  
17 expenditure of public funds in such manner or for such  
18 projects as would violate the State Constitution or the trust  
19 indenture of any bond issue or which would cause the state to  
20 lose any federal aid funds for highway or transportation  
21 purposes; and the provisions of this paragraph shall be  
22 applied in a manner to avoid such result.

23 Section 40. Paragraph (ff) of subsection (7) of  
24 section 212.08, Florida Statutes, is amended to read:

25 212.08 Sales, rental, use, consumption, distribution,  
26 and storage tax; specified exemptions.--The sale at retail,  
27 the rental, the use, the consumption, the distribution, and  
28 the storage to be used or consumed in this state of the  
29 following are hereby specifically exempt from the tax imposed  
30 by this chapter.

31 (7) MISCELLANEOUS EXEMPTIONS.--

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1           (ff) Certain electricity or steam uses.--  
2           1. Subject to the provisions of subparagraph 4.,  
3 charges for electricity or steam used to operate machinery and  
4 equipment at a fixed location in this state when such  
5 machinery and equipment is used to manufacture, process,  
6 compound, produce, or prepare for shipment items of tangible  
7 personal property for sale, or to operate pollution control  
8 equipment, recycling equipment, maintenance equipment, or  
9 monitoring or control equipment used in such operations are  
10 exempt to the extent provided in this paragraph. If 75 percent  
11 or more of the electricity or steam used at the fixed location  
12 is used to operate qualifying machinery or equipment, 100  
13 percent of the charges for electricity or steam used at the  
14 fixed location are exempt. If less than 75 percent but 50  
15 percent or more of the electricity or steam used at the fixed  
16 location is used to operate qualifying machinery or equipment,  
17 50 percent of the charges for electricity or steam used at the  
18 fixed location are exempt. If less than 50 percent of the  
19 electricity or steam used at the fixed location is used to  
20 operate qualifying machinery or equipment, none of the charges  
21 for electricity or steam used at the fixed location are  
22 exempt.

23           2. This exemption applies only to industries  
24 classified under SIC Industry Major Group Numbers 10, 12, 13,  
25 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,  
26 35, 36, 37, 38, and 39 and Industry Group Number 212. As used  
27 in this paragraph, "SIC" means those classifications contained  
28 in the Standard Industrial Classification Manual, 1987, as  
29 published by the Office of Management and Budget, Executive  
30 Office of the President.

31           3. Possession by a seller of a written certification

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1 by the purchaser, certifying the purchaser's entitlement to an  
2 exemption permitted by this subsection, relieves the seller  
3 from the responsibility of collecting the tax on the  
4 nontaxable amounts, and the department shall look solely to  
5 the purchaser for recovery of such tax if it determines that  
6 the purchaser was not entitled to the exemption.

7 4. Such exemption shall be applied as follows:

8 a. Beginning July 1, 1996, 20 percent of the charges  
9 for such electricity shall be exempt.

10 b. Beginning July 1, 1997, 40 percent of the charges  
11 for such electricity shall be exempt.

12 c. Beginning July 1, 1998, 60 percent of the charges  
13 for such electricity or steam shall be exempt.

14 d. Beginning July 1, 1999, 80 percent of the charges  
15 for such electricity or steam shall be exempt.

16 e. Beginning July 1, 2000, 100 percent of the charges  
17 for such electricity or steam shall be exempt.

18 5. Notwithstanding any other provision in this  
19 paragraph to the contrary, in order to receive the exemption  
20 provided in this paragraph a taxpayer must first register with  
21 the WAGES Program Business Registry established by the local  
22 WAGES coalition for the area in which the taxpayer is located.  
23 Such registration establishes a commitment on the part of the  
24 taxpayer to hire WAGES program participants to the maximum  
25 extent possible consistent with the nature of their business.

26 ~~6.a. In order to determine whether the exemption~~  
27 ~~provided in this paragraph from the tax on charges for~~  
28 ~~electricity or steam has an effect on retaining or attracting~~  
29 ~~companies to this state, the Office of Program Policy Analysis~~  
30 ~~and Government Accountability shall monitor and report on the~~  
31 ~~industries receiving the exemption.~~



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1           ~~b. The report shall be submitted no later than January~~  
2 ~~1, 2001, and must be comprehensive in scope, but, at a~~  
3 ~~minimum, must be conducted in such a manner as to specifically~~  
4 ~~determine the number of companies within each SIC Industry~~  
5 ~~Major Group receiving the exemption as of September 1, 2000,~~  
6 ~~the number of individuals employed by companies within each~~  
7 ~~SIC Industry Major Group receiving the exemption as of~~  
8 ~~September 1, 2000, whether the change, if any, in such number~~  
9 ~~of companies or employees is attributable to the exemption~~  
10 ~~provided in this paragraph, whether it would be sound public~~  
11 ~~policy to continue or discontinue the exemption, and the~~  
12 ~~consequences of doing so.~~

13           ~~c. The report shall be submitted to the President of~~  
14 ~~the Senate, the Speaker of the House of Representatives, the~~  
15 ~~Senate Minority Leader, and the House Minority Leader.~~

16  
17 Exemptions provided to any entity by this subsection shall not  
18 inure to any transaction otherwise taxable under this chapter  
19 when payment is made by a representative or employee of such  
20 entity by any means, including, but not limited to, cash,  
21 check, or credit card even when that representative or  
22 employee is subsequently reimbursed by such entity.

23           Section 41. Subsection (6) of section 213.053, Florida  
24 Statutes, is amended to read:

25           213.053 Confidentiality and information sharing.--

26           (6) Any information received by the Department of  
27 Revenue in connection with the administration of taxes,  
28 including, but not limited to, information contained in  
29 returns, reports, accounts, or declarations filed by persons  
30 subject to tax, shall be made available by the department to  
31 the Auditor General or his or her authorized agent, the

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1 director of the Office of Program Policy Analysis and  
2 Government Accountability or his or her authorized agent,the  
3 Comptroller or his or her authorized agent, the Insurance  
4 Commissioner or his or her authorized agent, the Treasurer or  
5 his or her authorized agent, or a property appraiser or tax  
6 collector or their authorized agents pursuant to s.  
7 195.084(1), in the performance of their official duties, or to  
8 designated employees of the Department of Education solely for  
9 determination of each school district's price level index  
10 pursuant to s. 236.081(2); however, no information shall be  
11 disclosed to the Auditor General or his or her authorized  
12 agent, the director of the Office of Program Policy Analysis  
13 and Government Accountability or his or her authorized agent,  
14 the Comptroller or his or her authorized agent, the Insurance  
15 Commissioner or his or her authorized agent, the Treasurer or  
16 his or her authorized agent, or to a property appraiser or tax  
17 collector or their authorized agents, or to designated  
18 employees of the Department of Education if such disclosure is  
19 prohibited by federal law. The Auditor General or his or her  
20 authorized agent, the director of the Office of Program Policy  
21 Analysis and Government Accountability or his or her  
22 authorized agent,the Comptroller or his or her authorized  
23 agent, the Treasurer or his or her authorized agent, and the  
24 property appraiser or tax collector and their authorized  
25 agents, or designated employees of the Department of Education  
26 shall be subject to the same requirements of confidentiality  
27 and the same penalties for violation of the requirements as  
28 the department. For the purpose of this subsection,  
29 "designated employees of the Department of Education" means  
30 only those employees directly responsible for calculation of  
31 price level indices pursuant to s. 236.081(2). It does not

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1 include the supervisors of such employees or any other  
 2 employees or elected officials within the Department of  
 3 Education.

4 Section 42. Subsection (6) of section 215.44, Florida  
 5 Statutes, is amended to read:

6 215.44 Board of Administration; powers and duties in  
 7 relation to investment of trust funds.--

8 (6) ~~The Auditor General shall audit annually the~~  
 9 ~~entire operation of the board.~~The Office of Program Policy  
 10 Analysis and Government Accountability shall examine the  
 11 board's ~~perform or cause to be performed a performance audit~~  
 12 ~~of the management by the board of investments every 2 years.~~  
 13 ~~In addition to the duties prescribed in this subsection, the~~  
 14 ~~Auditor General and the Office of Program Policy Analysis and~~  
 15 ~~Government Accountability shall annually as part of his or her~~  
 16 ~~audit conduct performance postaudits of investments under s.~~  
 17 ~~215.47(6) which are not otherwise authorized under ss.~~  
 18 ~~215.44-215.53.~~ The Office of Program Policy Analysis and  
 19 Government Accountability ~~Auditor General~~ shall submit such  
 20 reports ~~audit report~~ to the board, the President of the  
 21 Senate, and the Speaker of the House of Representatives and  
 22 their designees.

23 Section 43. Section 215.86, Florida Statutes, is  
 24 created to read:

25 215.86 Management systems and controls.--Each state  
 26 agency and the judicial branch as defined in s. 216.011 shall  
 27 establish and maintain management systems and controls that  
 28 promote and encourage compliance; economic, efficient, and  
 29 effective operations; reliability of records and reports; and  
 30 safeguarding of assets. Accounting systems and procedures  
 31 shall be designed to fulfill the requirements of generally

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1 accepted accounting principles.

2 Section 44. Subsection (2) of section 215.94, Florida  
3 Statutes, is amended to read:

4 215.94 Designation, duties, and responsibilities of  
5 functional owners.--

6 (2) The Department of Banking and Finance shall be the  
7 functional owner of the Florida Accounting Information  
8 Resource Subsystem established pursuant to ss. ~~11.46~~, 17.03,  
9 215.86, 216.141, and 216.151 and further developed in  
10 accordance with the provisions of ss. 215.90-215.96. The  
11 subsystem shall include, but shall not be limited to, the  
12 following functions:

13 (a) Accounting and reporting so as to provide timely  
14 data for producing financial statements for the state in  
15 accordance with generally accepted accounting principles.

16 (b) Auditing and settling claims against the state.

17 Section 45. Section 215.98, Florida Statutes, is  
18 created to read:

19 215.98 Audits of state agency direct-support  
20 organizations and citizen support organizations.--Each  
21 direct-support organization and each citizen support  
22 organization, created or authorized pursuant to law, and  
23 created, approved, or administered by a state agency, other  
24 than a university, district board of trustees of a community  
25 college, or district school board, shall provide for an annual  
26 financial audit of its accounts and records to be conducted by  
27 an independent certified public accountant in accordance with  
28 rules adopted by the Auditor General pursuant to s. 11.45(8)  
29 and the state agency that created, approved, or administers  
30 the direct-support organization or citizen support  
31 organization. The audit report shall be submitted within 9

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1 months after the end of the fiscal year to the Auditor General  
2 and to the state agency responsible for creation,  
3 administration, or approval of the direct-support organization  
4 or citizen support organization. Such state agency, the  
5 Auditor General, and the Office of Program Policy Analysis and  
6 Government Accountability shall have the authority to require  
7 and receive from the organization or from the independent  
8 auditor any records relative to the operation of the  
9 organization.

10 Section 46. Subsection (1) of section 216.177, Florida  
11 Statutes, is amended to read:

12 216.177 Appropriations acts, statement of intent,  
13 violation, notice, review and objection procedures.--

14 (1) When an appropriations act is delivered to the  
15 Governor after the Legislature has adjourned sine die, as soon  
16 as practicable, but no later than the 10th day before the end  
17 of the period allowed by law for veto consideration in any  
18 year in which an appropriation is made, the chairs of the  
19 legislative appropriations committees shall jointly transmit:

20 (a) The official list of General Revenue Fund  
21 appropriations determined in consultation with the Executive  
22 Office of the Governor to be nonrecurring; and

23 (b) The documents set forth in s. 216.0442(2)(a) and  
24 (c),

25  
26 to the Executive Office of the Governor, the Comptroller, the  
27 Auditor General, the director of the Office of Program Policy  
28 Analysis and Government Accountability, the Chief Justice of  
29 the Supreme Court, and each state agency. A request for  
30 additional explanation and direction regarding the legislative  
31 intent of the General Appropriations Act during the fiscal

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1 year may be made only by and through the Executive Office of  
2 the Governor for state agencies, and by and through the Chief  
3 Justice of the Supreme Court for the judicial branch, as is  
4 deemed necessary. However, the Comptroller may also request  
5 further clarification of legislative intent pursuant to the  
6 Comptroller's responsibilities related to his or her preaudit  
7 function of expenditures.

8 Section 47. Subsection (2) of section 216.178, Florida  
9 Statutes, is amended to read:

10 216.178 General Appropriations Act; format;  
11 procedure.--

12 (2) The Office of Planning and Budgeting shall develop  
13 a final budget report that reflects the net appropriations for  
14 each budget item. The report shall reflect actual  
15 expenditures for each of the 2 preceding fiscal years and the  
16 estimated expenditures for the current fiscal year. In  
17 addition, the report must contain the actual revenues and cash  
18 balances for the preceding 2 fiscal years and the estimated  
19 revenues and cash balances for the current fiscal year. The  
20 report may also contain expenditure data, program objectives,  
21 and program measures for each state agency program. The report  
22 must be produced by October 15 each year. A copy of the  
23 report must be made available to each member of the  
24 Legislature, to the head of each state agency, to the Auditor  
25 General, to the director of the Office of Program Policy  
26 Analysis and Government Accountability, and to the public.

27 Section 48. Subsection (3) of section 216.292, Florida  
28 Statutes, is amended to read:

29 216.292 Appropriations nontransferable; exceptions.--

30 (3) The head of each department or the Chief Justice  
31 of the Supreme Court, whenever it is deemed necessary by

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1 reason of changed conditions, may transfer appropriations  
2 funded from identical funding sources, except appropriations  
3 for fixed capital outlay, and transfer the amounts included  
4 within the total original approved budget and releases as  
5 furnished pursuant to ss. 216.181 and 216.192, as follows:

6 (a) Between categories of appropriations within a  
7 budget entity, if no category of appropriation is increased or  
8 decreased by more than 5 percent of the original approved  
9 budget or \$150,000, whichever is greater, by all action taken  
10 under this subsection.

11 (b) Additionally, between budget entities within  
12 identical categories of appropriations, if no category of  
13 appropriation is increased or decreased by more than 5 percent  
14 of the original approved budget or \$150,000, whichever is  
15 greater, by all action taken under this subsection.

16 (c) Such authorized revisions must be consistent with  
17 the intent of the approved operating budget, must be  
18 consistent with legislative policy and intent, and must not  
19 conflict with specific spending policies specified in the  
20 General Appropriations Act.

21

22 Such authorized revisions, together with related changes, if  
23 any, in the plan for release of appropriations, shall be  
24 transmitted by the state agency or by the judicial branch to  
25 the Comptroller for entry in the Comptroller's records in the  
26 manner and format prescribed by the Executive Office of the  
27 Governor in consultation with the Comptroller. A copy of such  
28 revision shall be furnished to the Executive Office of the  
29 Governor or the Chief Justice, the chair of the Legislative  
30 Budget Commission, the chairs of the legislative committees,  
31 ~~and~~ and the Auditor General, and the director of the Office of

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1 Program Policy Analysis and Government Accountability.

2 Section 49. Subsection (1) of section 218.31, Florida  
3 Statutes, is amended, and subsections (15), (16), (17), and  
4 (18) are added to said section, to read:

5 218.31 Definitions.--As used in this part, except  
6 where the context clearly indicates a different meaning:

7 (1) "Local governmental entity" means a county agency  
8 ~~as defined in s. 11.45~~, a municipality, or a special district  
9 as defined in s. 189.403. For purposes of s. 218.32, the term  
10 also includes a housing authority created under chapter 421.

11 (15) "Auditor" means an independent certified public  
12 accountant licensed pursuant to chapter 473 and retained by a  
13 local governmental entity to perform a financial audit.

14 (16) "County agency" means a board of county  
15 commissioners or other legislative and governing body of a  
16 county, however styled, including that of a consolidated or  
17 metropolitan government, a clerk of the circuit court, a  
18 separate or ex officio clerk of the county court, a sheriff, a  
19 property appraiser, a tax collector, a supervisor of  
20 elections, or any other officer in whom any portion of the  
21 fiscal duties of the above are under law separately placed.

22 (17) "Financial audit" means an examination of  
23 financial statements in order to express an opinion on the  
24 fairness with which they are presented in conformity with  
25 generally accepted accounting principles and an examination to  
26 determine whether operations are properly conducted in  
27 accordance with legal and regulatory requirements. Financial  
28 audits must be conducted in accordance with generally accepted  
29 auditing standards and government auditing standards as  
30 adopted by the Board of Accountancy and as prescribed by rules  
31 promulgated by the Auditor General.



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1           (18) "Management letter" means a statement of the  
2 auditor's comments and recommendations as prescribed by rules  
3 adopted by the Auditor General.

4           Section 50. Subsection (1) of section 218.32, Florida  
5 Statutes, is amended to read:

6           218.32 Annual financial reports; local governmental  
7 entities.--

8           (1)(a) Each local governmental entity that is  
9 determined to be a reporting entity, as defined by generally  
10 accepted accounting principles, and each independent special  
11 district as defined in s. 189.403, shall submit to the  
12 department a copy of its annual financial report for the  
13 previous fiscal year in a format prescribed by the department.  
14 The annual financial report must include a list of each local  
15 governmental entity included in the report and each local  
16 governmental entity that failed to provide financial  
17 information as required by paragraph (b). The chair of the  
18 governing body and the chief financial officer of each local  
19 governmental entity shall sign the annual financial report  
20 submitted pursuant to this subsection attesting to the  
21 accuracy of the information included in the report.The county  
22 annual financial report must be a single document that covers  
23 each county agency.

24           (b) Each component unit, as defined by generally  
25 accepted accounting principles, of a local governmental entity  
26 shall provide the local governmental entity, within a  
27 reasonable time period as established by the local  
28 governmental entity, with financial information necessary to  
29 comply with the reporting requirements contained in this  
30 section.

31           (c) Each regional planning council created under s.

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1 186.504, each local government finance commission, board, or  
 2 council, and each municipal power corporation created as a  
 3 separate legal or administrative entity by interlocal  
 4 agreement under s. 163.01(7) shall submit to the department a  
 5 copy of its audit report and an annual financial report for  
 6 the previous fiscal year in a format prescribed by the  
 7 department.

8 (d) Each local governmental entity that is required to  
 9 provide for an audit ~~report~~ in accordance with s. 218.39(1)  
 10 ~~11.45(3)(a)5~~ must submit the annual financial report with the  
 11 audit report. A copy of the audit report and annual financial  
 12 report must be submitted to the department within 45 days  
 13 after the completion of the audit report but no later than 12  
 14 months after the end of the fiscal year.

15 (e) Each local governmental entity that is not  
 16 required to provide for an audit report in accordance with s.  
 17 218.39 ~~All other reporting entities~~ must submit the annual  
 18 financial report to the department no later than April 30 of  
 19 each year. The department shall consult with the Auditor  
 20 General in the development of the format of annual financial  
 21 reports submitted pursuant to this paragraph. The format shall  
 22 include balance sheet information to be utilized by the  
 23 Auditor General pursuant to s. 11.45(7)(f). The department  
 24 must forward the financial information contained within these  
 25 entities' annual financial reports to the Auditor General in  
 26 electronic form. This paragraph does not apply to housing  
 27 authorities created under chapter 421.

28 ~~(f)(e)~~ If the department does not receive a completed  
 29 annual financial report from a local governmental entity  
 30 within the required period, it shall notify the Legislative  
 31 Auditing Committee of the local governmental entity's failure

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1 to comply with the reporting requirements. The committee shall  
2 proceed in accordance with s. 11.40(5)report. Following  
3 ~~receipt of notification of failure to report, the committee~~  
4 ~~shall schedule a hearing for the purpose of receiving~~  
5 ~~additional testimony addressing the failure of local~~  
6 ~~governmental entities to comply with the reporting~~  
7 ~~requirements of this section. After the hearing, the~~  
8 ~~committee shall determine which local governmental entities~~  
9 ~~will be subjected to further state action. If it finds that~~  
10 ~~one or more local governmental entities should be subjected to~~  
11 ~~further state action, the committee shall:~~

12 1. ~~In the case of a county or municipality, request~~  
13 ~~the Department of Revenue and the Department of Banking and~~  
14 ~~Finance to withhold any funds not pledged for bond debt~~  
15 ~~service satisfaction which are payable to the county or~~  
16 ~~municipality until the required annual financial report is~~  
17 ~~received by the department. The Department of Revenue and the~~  
18 ~~Department of Banking and Finance are authorized to implement~~  
19 ~~the provisions of this subparagraph. The committee, in its~~  
20 ~~request, shall specify the date such action shall begin, and~~  
21 ~~the request must be received by the Department of Revenue and~~  
22 ~~the Department of Banking and Finance 30 days before the date~~  
23 ~~of distribution mandated by law.~~

24 2. ~~In the case of a special district, notify the~~  
25 ~~Department of Community Affairs that the special district has~~  
26 ~~failed to provide the required annual financial report. Upon~~  
27 ~~notification, the Department of Community Affairs shall~~  
28 ~~proceed pursuant to ss. 189.421 and 189.422.~~

29 3. ~~In the case of a special district that is a~~  
30 ~~component unit and that did not provide the financial~~  
31 ~~information required by paragraph (b) to the applicable~~

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~~1 reporting entity, notify the Department of Community Affairs  
2 that the special district has failed to provide the required  
3 financial information. Upon notification, the Department of  
4 Community Affairs shall proceed pursuant to ss. 189.421 and  
5 189.422.~~

6 Section 51. Subsection (2) of section 218.33, Florida  
7 Statutes, is amended to read:

8 218.33 Local governmental entities; establishment of  
9 uniform fiscal years and accounting practices and  
10 procedures.--

11 (2) Each local governmental entity shall follow  
12 uniform accounting practices and procedures as promulgated by  
13 rule of the department to assure the use of proper accounting  
14 and fiscal management by such units. Such rules shall include  
15 a uniform classification of accounts.~~The department shall  
16 make such reasonable rules regarding uniform accounting  
17 practices and procedures by local governmental entities in  
18 this state, including a uniform classification of accounts, as  
19 it considers necessary to assure the use of proper accounting  
20 and fiscal management techniques by such units.~~

21 Section 52. Subsection (3) of section 218.38, Florida  
22 Statutes, is amended to read:

23 218.38 Notice of bond issues required; verification.--

24 (3) If a unit of local government fails to verify  
25 pursuant to subsection (2) the information held by the  
26 division, or fails to provide the information required by  
27 subsection (1), the division shall notify the Legislative  
28 Auditing Committee of such failure to comply. The committee  
29 shall proceed in accordance with s. 11.40(5).~~Following  
30 receipt of such notification of failure to comply with these  
31 provisions, a hearing shall be scheduled by the committee for~~

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1 ~~the purpose of receiving testimony addressing the failure of~~  
 2 ~~units of local government to comply with the requirements of~~  
 3 ~~this section. After the hearing, the committee shall~~  
 4 ~~determine which units of local government will be subjected to~~  
 5 ~~further state action. If it finds that one or more units of~~  
 6 ~~local government should be subjected to further state action,~~  
 7 ~~the committee shall:~~

8         ~~(a) In the case of a unit of local government, request~~  
 9 ~~the Department of Revenue and the Department of Banking and~~  
 10 ~~Finance to withhold any funds not pledged for bond debt~~  
 11 ~~service satisfaction which are payable to such governmental~~  
 12 ~~entity. The Department of Revenue and the Department of~~  
 13 ~~Banking and Finance are authorized to implement the provisions~~  
 14 ~~of this paragraph. The committee, in its request, shall~~  
 15 ~~specify the date such action shall begin, and the request must~~  
 16 ~~be received by the Department of Revenue and the Department of~~  
 17 ~~Banking and Finance 30 days before the date of the~~  
 18 ~~distribution mandated by law.~~

19         ~~(b) In the case of a special district, notify the~~  
 20 ~~Department of Community Affairs that the special district has~~  
 21 ~~failed to comply. Upon notification, the Department of~~  
 22 ~~Community Affairs shall proceed pursuant to ss. 189.421 and~~  
 23 ~~189.422.~~

24         Section 53. Sections 218.39 and 218.391, Florida  
 25 Statutes, are created to read:

26         218.39 Annual financial audit reports.--

27         (1) If, by the first day in any fiscal year, a local  
 28 governmental entity, district school board, charter school, or  
 29 charter technical career center has not been notified that a  
 30 financial audit for that fiscal year will be performed by the  
 31 Auditor General, each of the following entities shall have an

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1 annual financial audit of its accounts and records completed  
2 within 12 months after the end of its fiscal year by an  
3 independent certified public accountant retained by it and  
4 paid from its public funds:  
5       (a) Each county.  
6       (b) Any municipality with revenues or the total of  
7 expenditures and expenses in excess of \$250,000.  
8       (c) Any special district with revenues or the total of  
9 expenditures and expenses in excess of \$100,000.  
10       (d) Each district school board.  
11       (e) Each charter school established under s. 228.056.  
12       (f) Each charter technical center established under s.  
13 228.505.  
14       (g) Each municipality with revenues or the total of  
15 expenditures and expenses between \$100,000 and \$250,000 that  
16 has not been subject to a financial audit pursuant to this  
17 subsection for the 2 preceding fiscal years.  
18       (h) Each special district with revenues or the total  
19 of expenditures and expenses between \$50,000 and \$100,000 that  
20 has not been subject to a financial audit pursuant to this  
21 subsection for the 2 preceding fiscal years.  
22       (2) The county audit report shall be a single document  
23 that includes a financial audit of the county as a whole and,  
24 for each county agency other than a board of county  
25 commissioners, an audit of its financial accounts and records,  
26 including reports on compliance and internal control,  
27 management letters, and financial statements as required by  
28 rules adopted by the Auditor General. In addition to such  
29 requirements, if a board of county commissioners elects to  
30 have a separate audit of its financial accounts and records in  
31 the manner required by rules adopted by the Auditor General

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1 for other county agencies, such separate audit shall be  
2 included in the county audit report.

3 (3) A dependent special district may make provision  
4 for an annual financial audit by being included within the  
5 audit of another local governmental entity upon which it is  
6 dependent. An independent special district may not make  
7 provision for an annual financial audit by being included  
8 within the audit of another local governmental entity.

9 (4) A management letter shall be prepared and included  
10 as a part of each financial audit report.

11 (5) At the conclusion of the audit, the auditor shall  
12 discuss with the chair of each local governmental entity or  
13 the chair's designee, or with the elected official of each  
14 county agency or with the elected official's designee, or with  
15 the chair of the district school board or the chair's  
16 designee, or with the chair of the board of the charter school  
17 or the chair's designee, or with the chair of the charter  
18 technical career center or the chair's designee, as  
19 appropriate, all of the auditor's comments that will be  
20 included in the audit report. If the officer is not available  
21 to discuss the auditor's comments, their discussion is  
22 presumed when the comments are delivered in writing to his or  
23 her office. The auditor shall notify each member of the  
24 governing body of a local governmental entity or district  
25 school board for which deteriorating financial conditions  
26 exist that may cause a condition described in s. 218.503(1) to  
27 occur if actions are not taken to address such conditions.

28 (6) The officer's written statement of explanation or  
29 rebuttal concerning the auditor's findings, including  
30 corrective action to be taken, must be filed with the  
31 governing body of the local governmental entity, district

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1 school board, charter school, or charter technical career  
2 center within 30 days after the delivery of the auditor's  
3 findings.

4 (7) The predecessor auditor of a district school board  
5 shall provide the Auditor General access to the prior year's  
6 working papers in accordance with the Statements on Auditing  
7 Standards, including documentation of planning, internal  
8 control, audit results, and other matters of continuing  
9 accounting and auditing significance, such as the working  
10 paper analysis of balance sheet accounts and those relating to  
11 contingencies.

12 (8) All audits conducted in accordance with this  
13 section must be conducted in accordance with the rules of the  
14 Auditor General promulgated pursuant to s. 11.45. All audit  
15 reports and the officer's written statement of explanation or  
16 rebuttal must be submitted to the Auditor General within 45  
17 days after delivery of the audit report to the entity's  
18 governing body, but no later than 12 months after the end of  
19 the fiscal year.

20 (9) Each charter school and charter technical career  
21 center must file a copy of its audit report with the  
22 sponsoring entity; the local district school board, if not the  
23 sponsoring entity; the Auditor General; and with the  
24 Department of Education.

25 (10) This section does not apply to housing  
26 authorities created under chapter 421.

27 (11) Notwithstanding the provisions of any local law,  
28 the provisions of this section shall govern.

29 218.391 Auditor selection procedures.--

30 (1) Each local governmental entity, district school  
31 board, charter school, or charter technical career center



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1 shall use auditor selection procedures when selecting an  
2 auditor to conduct the annual financial audit required in s.  
3 218.39.

4 (2) The governing body of a charter county,  
5 municipality, special district, charter school, or charter  
6 technical career center shall establish an auditor selection  
7 committee and auditor selection procedures or use the  
8 procedures outlined in subsection (3). The purpose of the  
9 committee and the procedures is to contract with an auditor to  
10 conduct the annual financial audit required in s. 218.39.

11 (3) The governing body of a noncharter county or  
12 district school board that retains a certified public  
13 accountant shall establish an auditor selection committee and  
14 select an auditor according to the following procedure:

15 (a) For each noncharter county, the auditor selection  
16 committee shall consist of the county officers elected  
17 pursuant to s. 1(d), Art. VIII of the State Constitution, and  
18 one member of the board of county commissioners or its  
19 designee.

20 (b) The committee shall publicly announce, in a  
21 uniform and consistent manner, each occasion when auditing  
22 services are required to be purchased. Public notice must  
23 include a general description of the audit and must indicate  
24 how interested certified public accountants can apply for  
25 consideration.

26 (c) The committee shall encourage firms engaged in the  
27 lawful practice of public accounting who desire to provide  
28 professional services to submit annually a statement of  
29 qualifications and performance data.

30 (d) Any certified public accountant desiring to  
31 provide auditing services shall first be qualified pursuant to

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1 law. The committee shall make a finding that the firm or  
2 individual to be employed is fully qualified to render the  
3 required services. Among the factors to be considered in  
4 making this finding are the capabilities, adequacy of  
5 personnel, past record, and experience of the firm or  
6 individual.

7 (e) The committee shall adopt procedures for the  
8 evaluation of professional services, including, but not  
9 limited to, capabilities, adequacy of personnel, past record,  
10 experience, results of recent external quality control  
11 reviews, and such other factors as may be determined by the  
12 committee to be applicable to its particular requirements.

13 (f) The public shall not be excluded from the  
14 proceedings under this subsection.

15 (g) The committee shall evaluate current statements of  
16 qualifications and performance data on file with the  
17 committee, together with those that may be submitted by other  
18 firms regarding the proposed audit, and shall conduct  
19 discussions with, and may require public presentations by, no  
20 fewer than three firms regarding their qualifications,  
21 approach to the audit, and ability to furnish the required  
22 services.

23 (h) The committee shall select in order of preference  
24 no fewer than three firms deemed to be the most highly  
25 qualified to perform the required services after considering  
26 the following factors: the ability of professional personnel;  
27 past performance; willingness to meet time requirements;  
28 location; and recent, current, and projected workloads of the  
29 firms. However, such distribution shall not violate the  
30 principle of selection of the most highly qualified firms. If  
31 fewer than three firms desire to perform the services, the

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1 committee shall recommend such firms as it determines to be  
2 qualified.

3 (i) The committee may request, accept, and consider  
4 proposals for the compensation to be paid only during  
5 competitive negotiations under paragraph (h). The firm ranked  
6 first may then negotiate a contract with the board giving,  
7 among other things, a basis of its fee for that engagement.  
8 If the board is unable to negotiate a satisfactory contract  
9 with that firm, negotiations with that firm shall be formally  
10 terminated, and the board shall then undertake negotiations  
11 with the second-ranked firm. Failing accord with the  
12 second-ranked firm, negotiations shall then be terminated with  
13 that firm and undertaken with the third-ranked firm.  
14 Negotiations with the other ranked firms shall be undertaken  
15 in the same manner. The board, in negotiating with firms, may  
16 reopen formal negotiations with any one of the three  
17 top-ranked firms, but it may not negotiate with more than one  
18 firm at a time. The board shall also negotiate on the scope  
19 and quality of services. In making such determination, the  
20 board shall conduct a detailed analysis of the cost of the  
21 professional services required in addition to considering  
22 their scope and complexity. For contracts over \$50,000, the  
23 board shall require the firm receiving the award to execute a  
24 truth-in-negotiations certificate stating that the rates of  
25 compensation and other factual unit costs supporting the  
26 compensation are accurate, complete, and current at the time  
27 of contracting. Such certificate shall also contain a  
28 description and disclosure of any understanding that places a  
29 limit on current or future years' audit contract fees,  
30 including any arrangements under which fixed limits on fees  
31 will not be subject to reconsideration if unexpected

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1 accounting or auditing issues are encountered. Such  
2 certificate shall also contain a description of any services  
3 rendered by the certified public accountant or firm of  
4 certified public accountants at rates or terms that are not  
5 customary. Any auditing service contract under which such a  
6 certificate is required must contain a provision that the  
7 original contract price and any additions thereto shall be  
8 adjusted to exclude any significant sums by which the board  
9 determines the contract price was increased due to inaccurate  
10 or incomplete factual unit costs. All such contract  
11 adjustments shall be made within 1 year following the end of  
12 the contract.

13 (j) If the board is unable to negotiate a satisfactory  
14 contract with any of the selected firms, the committee shall  
15 select additional firms, and the board shall continue  
16 negotiations in accordance with this subsection until an  
17 agreement is reached.

18 Section 54. Subsection (22) of section 218.415,  
19 Florida Statutes, is amended to read:

20 218.415 Local government investment  
21 policies.--Investment activity by a unit of local government  
22 must be consistent with a written investment plan adopted by  
23 the governing body, or in the absence of the existence of a  
24 governing body, the respective principal officer of the unit  
25 of local government and maintained by the unit of local  
26 government or, in the alternative, such activity must be  
27 conducted in accordance with subsection (17). Any such unit  
28 of local government shall have an investment policy for any  
29 public funds in excess of the amounts needed to meet current  
30 expenses as provided in subsections (1)-(16), or shall meet  
31 the alternative investment guidelines contained in subsection

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1 (17). Such policies shall be structured to place the highest  
 2 priority on the safety of principal and liquidity of funds.  
 3 The optimization of investment returns shall be secondary to  
 4 the requirements for safety and liquidity. Each unit of local  
 5 government shall adopt policies that are commensurate with the  
 6 nature and size of the public funds within its custody.

7 (22) AUDITS.--Certified public accountants conducting  
 8 audits of units of local government pursuant to s. 218.39  
 9 ~~11.45~~ shall report, as part of the audit, whether or not the  
 10 unit of local government has complied with this section.

11 Section 55. Paragraph (g) of subsection (8) of section  
 12 228.056, Florida Statutes, is amended to read:

13 228.056 Charter schools.--

14 (8) REQUIREMENTS.--

15 (g) A charter school shall provide for ~~be subject to~~  
 16 an annual financial audit in accordance with s. 218.39 ~~a~~  
 17 ~~manner similar to that of a school district.~~

18 Section 56. Paragraph (d) of subsection (3) of section  
 19 228.093, Florida Statutes, is amended to read:

20 228.093 Pupil and student records and reports; rights  
 21 of parents, guardians, pupils, and students; notification;  
 22 penalty.--

23 (3) RIGHTS OF PARENT, GUARDIAN, PUPIL, OR

24 STUDENT.--The parent or guardian of any pupil or student who  
 25 attends or has attended any public school, area  
 26 vocational-technical training center, community college, or  
 27 institution of higher education in the State University System  
 28 shall have the following rights with respect to any records or  
 29 reports created, maintained, and used by any public  
 30 educational institution in the state. However, whenever a  
 31 pupil or student has attained 18 years of age, or is attending

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1 an institution of postsecondary education, the permission or  
2 consent required of, and the rights accorded to, the parents  
3 of the pupil or student shall thereafter be required of and  
4 accorded to the pupil or student only, unless the pupil or  
5 student is a dependent pupil or student of such parents as  
6 defined in 26 U.S.C. s. 152 (s. 152 of the Internal Revenue  
7 Code of 1954). The State Board of Education shall formulate,  
8 adopt, and promulgate rules whereby parents, guardians,  
9 pupils, or students may exercise these rights:

10 (d) Right of privacy.--Every pupil or student shall  
11 have a right of privacy with respect to the educational  
12 records kept on him or her. Personally identifiable records or  
13 reports of a pupil or student, and any personal information  
14 contained therein, are confidential and exempt from the  
15 provisions of s. 119.07(1). No state or local educational  
16 agency, board, public school, area technical center, community  
17 college, or institution of higher education in the State  
18 University System shall permit the release of such records,  
19 reports, or information without the written consent of the  
20 pupil's or student's parent or guardian, or of the pupil or  
21 student himself or herself if he or she is qualified as  
22 provided in this subsection, to any individual, agency, or  
23 organization. However, personally identifiable records or  
24 reports of a pupil or student may be released to the following  
25 persons or organizations without the consent of the pupil or  
26 the pupil's parent:

27 1. Officials of schools, school systems, area  
28 technical centers, community colleges, or institutions of  
29 higher learning in which the pupil or student seeks or intends  
30 to enroll; and a copy of such records or reports shall be  
31 furnished to the parent, guardian, pupil, or student upon

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1 request.

2           2. Other school officials, including teachers within  
3 the educational institution or agency, who have legitimate  
4 educational interests in the information contained in the  
5 records.

6           3. The United States Secretary of Education, the  
7 Director of the National Institute of Education, the Assistant  
8 Secretary for Education, the Comptroller General of the United  
9 States, or state or local educational authorities who are  
10 authorized to receive such information subject to the  
11 conditions set forth in applicable federal statutes and  
12 regulations of the United States Department of Education, or  
13 in applicable state statutes and rules of the State Board of  
14 Education.

15           4. Other school officials, in connection with a  
16 pupil's or student's application for or receipt of financial  
17 aid.

18           5. Individuals or organizations conducting studies for  
19 or on behalf of an institution or a board of education for the  
20 purpose of developing, validating, or administering predictive  
21 tests, administering pupil or student aid programs, or  
22 improving instruction, if such studies are conducted in such a  
23 manner as will not permit the personal identification of  
24 pupils or students and their parents by persons other than  
25 representatives of such organizations and if such information  
26 will be destroyed when no longer needed for the purpose of  
27 conducting such studies.

28           6. Accrediting organizations, in order to carry out  
29 their accrediting functions.

30           7. School readiness coalitions and the Florida  
31 Partnership for School Readiness in order to carry out their

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1 assigned duties.

2 8. For use as evidence in pupil or student expulsion  
3 hearings conducted by a district school board pursuant to the  
4 provisions of chapter 120.

5 9. Appropriate parties in connection with an  
6 emergency, if knowledge of the information in the pupil's or  
7 student's educational records is necessary to protect the  
8 health or safety of the pupil, student, or other individuals.

9 10. The Auditor General and the Office of Program  
10 Policy Analysis and Government Accountability in connection  
11 with their ~~his or her~~ official functions; however, except when  
12 the collection of personally identifiable information is  
13 specifically authorized by law, any data collected by the  
14 Auditor General and the Office of Program Policy Analysis and  
15 Government Accountability is confidential and exempt from the  
16 provisions of s. 119.07(1) and shall be protected in such a  
17 way as will not permit the personal identification of students  
18 and their parents by other than the Auditor General, the  
19 Office of Program Policy Analysis and Government  
20 Accountability, and their ~~his or her~~ staff, and such  
21 personally identifiable data shall be destroyed when no longer  
22 needed for the Auditor General's and the Office of Program  
23 Policy Analysis and Government Accountability's official use.

24 11.a. A court of competent jurisdiction in compliance  
25 with an order of that court or the attorney of record pursuant  
26 to a lawfully issued subpoena, upon the condition that the  
27 pupil or student and the pupil's or student's parent are  
28 notified of the order or subpoena in advance of compliance  
29 therewith by the educational institution or agency.

30 b. A person or entity pursuant to a court of competent  
31 jurisdiction in compliance with an order of that court or the



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1 attorney of record pursuant to a lawfully issued subpoena,  
2 upon the condition that the pupil or student, or his or her  
3 parent if the pupil or student is either a minor and not  
4 attending an institution of postsecondary education or a  
5 dependent of such parent as defined in 26 U.S.C. s. 152 (s.  
6 152 of the Internal Revenue Code of 1954), is notified of the  
7 order or subpoena in advance of compliance therewith by the  
8 educational institution or agency.

9           12. Credit bureaus, in connection with an agreement  
10 for financial aid which the student has executed, provided  
11 that such information may be disclosed only to the extent  
12 necessary to enforce the terms or conditions of the financial  
13 aid agreement. Credit bureaus shall not release any  
14 information obtained pursuant to this paragraph to any person.

15           13. Parties to an interagency agreement among the  
16 Department of Juvenile Justice, school and law enforcement  
17 authorities, and other signatory agencies for the purpose of  
18 reducing juvenile crime and especially motor vehicle theft by  
19 promoting cooperation and collaboration, and the sharing of  
20 appropriate information in a joint effort to improve school  
21 safety, to reduce truancy, in-school and out-of-school  
22 suspensions, to support alternatives to in-school and  
23 out-of-school suspensions and expulsions that provide  
24 structured and well-supervised educational programs  
25 supplemented by a coordinated overlay of other appropriate  
26 services designed to correct behaviors that lead to truancy,  
27 suspensions, and expulsions, and which support students in  
28 successfully completing their education. Information provided  
29 in furtherance of such interagency agreements is intended  
30 solely for use in determining the appropriate programs and  
31 services for each juvenile or the juvenile's family, or for

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1 coordinating the delivery of such programs and services, and  
2 as such is inadmissible in any court proceedings prior to a  
3 dispositional hearing unless written consent is provided by a  
4 parent, guardian, or other responsible adult on behalf of the  
5 juvenile.

6  
7 This paragraph does not prohibit any educational institution  
8 from publishing and releasing to the general public directory  
9 information relating to a pupil or student if the institution  
10 elects to do so. However, no educational institution shall  
11 release, to any individual, agency, or organization which is  
12 not listed in subparagraphs 1.-13., directory information  
13 relating to the student body in general or a portion thereof  
14 unless it is normally published for the purpose of release to  
15 the public in general. Any educational institution making  
16 directory information public shall give public notice of the  
17 categories of information which it has designated as directory  
18 information with respect to all pupils or students attending  
19 the institution and shall allow a reasonable period of time  
20 after such notice has been given for a parent, guardian,  
21 pupil, or student to inform the institution in writing that  
22 any or all of the information designated should not be  
23 released.

24 Section 57. Paragraph (e) of subsection (11) of  
25 section 228.505, Florida Statutes, is amended to read:

26 228.505 Charter technical career centers.--

27 (11) FUNDING.--

28 (e) A center shall provide for ~~is subject to~~ an annual  
29 financial audit in accordance with s. 218.39 ~~a manner similar~~  
30 ~~to that of a school district or community college.~~

31 Section 58. Subsection (4) of section 229.8021,

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1 Florida Statutes, is amended to read:

2 229.8021 Direct-support organization; use of property;  
3 board of directors; audit.--

4 (4) ANNUAL AUDIT.--The direct-support organization  
5 shall provide ~~make provision~~ for an annual financial audit  
6 ~~postaudit of its financial accounts to be conducted by an~~  
7 ~~independent, certified public accountant~~ in accordance with s.  
8 218.39 ~~rules to be promulgated by the State Board of~~  
9 ~~Education. The annual audit report shall include a management~~  
10 ~~letter and shall be submitted to the Auditor General and the~~  
11 ~~State Board of Education for review. The State Board of~~  
12 ~~Education and the Auditor General have the authority to~~  
13 ~~require and receive from the organization or from its~~  
14 ~~independent auditor any detail or supplemental data relative~~  
15 ~~to the operation of the organization.~~The identity of donors  
16 and all information identifying donors and prospective donors  
17 is confidential and exempt from the provisions of s.  
18 119.07(1), and that anonymity shall be maintained in the  
19 auditor's report. All other records and information shall be  
20 considered public records for the purposes of chapter 119.

21 Section 59. Paragraphs (l) and (m) are added to  
22 subsection (10) of section 230.23, Florida Statutes, to read:

23 230.23 Powers and duties of school board.--The school  
24 board, acting as a board, shall exercise all powers and  
25 perform all duties listed below:

26 (10) FINANCE.--Take steps to assure children adequate  
27 educational facilities through the financial procedure  
28 authorized in chapters 236 and 237 and as prescribed below:

29 (1) Internal auditor.--The school board may employ an  
30 internal auditor to perform ongoing financial verification of  
31 the financial records of the school district. The internal

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1 auditor shall report directly to the school board or its  
2 designee.

3 (m) Financial and performance audits.--In addition to  
4 the audits required by ss. 11.45 and 218.39, the school board  
5 may contract with an independent certified public accountant  
6 to conduct a financial or performance audit of its accounts  
7 and records retained by it and paid from its public funds.

8 Section 60. Subsection (4) of section 230.23025,  
9 Florida Statutes, is amended to read:

10 230.23025 Best financial management practices;  
11 standards; reviews; designation of districts.--

12 (4) District school boards that agree by a majority  
13 plus one vote to institute the action plan shall submit an  
14 annual report to the Legislature, the Governor, the SMART  
15 Schools Clearinghouse, OPPAGA, the Auditor General, and the  
16 Commissioner of Education on progress made towards  
17 implementing the plan and whether changes have occurred in  
18 other areas of operation which would affect compliance with  
19 the best practices. Such districts shall be reviewed annually  
20 by OPPAGA, in addition to the annual financial audit required  
21 under s. 218.39 ~~11.45~~, to determine whether they have attained  
22 compliance with the best financial management practices in the  
23 areas covered by the plan. Districts that are found to comply  
24 with the best financial management practices shall receive a  
25 "Seal of Best Financial Management" by the State Board of  
26 Education certifying that the district is adhering to the  
27 state's best financial management practices. This designation  
28 shall be effective for a 5-year period, after which the  
29 district school board may reapply for the designation to be  
30 granted after another financial management practice review.  
31 During the designation period, the district school board shall

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1 annually notify the SMART Schools Clearinghouse, OPPAGA, the  
2 Auditor General, and the State Board of Education of any  
3 changes in policies or operations or any other situations that  
4 would not conform to the state's best financial management  
5 practices. The State Board of Education may revoke the  
6 designation of a district at any time if it determines that a  
7 district is no longer complying with the state's best  
8 financial management practices.

9 Section 61. Subsection (4) of section 237.40, Florida  
10 Statutes, is amended to read:

11 237.40 Direct-support organization; use of property;  
12 board of directors; audit.--

13 (4) ANNUAL AUDIT.--~~Each~~ ~~The~~ direct-support  
14 organization shall provide ~~make provisions~~ for an annual  
15 financial audit ~~postaudit~~ of its ~~financial~~ accounts and  
16 records, to be conducted by an independent certified public  
17 accountant ~~the district auditor~~ in accordance with rules ~~to be~~  
18 adopted by the Auditor General pursuant to s. 11.45(8) and the  
19 Commissioner of Education. The annual audit report shall  
20 include a management letter and shall be submitted within 9  
21 months after the fiscal year's end to filed as a public record  
22 in the district school board and the Auditor General. The  
23 Commissioner of Education, and the Auditor General, and the  
24 Office of Program Policy Analysis and Government  
25 Accountability have the authority to require and receive from  
26 the organization or the district auditor any records ~~detail or~~  
27 ~~supplemental data~~ relative to the operation of the  
28 organization. The identity of donors and all information  
29 identifying donors and prospective donors are confidential and  
30 exempt from the provisions of s. 119.07(1), and that anonymity  
31 shall be maintained in the auditor's report. All other

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1 records and information shall be ~~are~~ considered public records  
2 for the purposes of chapter 119.

3 Section 62. Subsection (1) of section 240.214, Florida  
4 Statutes, is amended to read:

5 240.214 State University System accountability  
6 process.--It is the intent of the Legislature that an  
7 accountability process be implemented which provides for the  
8 systematic, ongoing evaluation of quality and effectiveness in  
9 the State University System. It is further the intent of the  
10 Legislature that this accountability process monitor  
11 performance at the system level in each of the major areas of  
12 instruction, research, and public service, while recognizing  
13 the differing missions of each of the state universities. The  
14 accountability process shall provide for the adoption of  
15 systemwide performance standards and performance goals for  
16 each standard identified through a collaborative effort  
17 involving the State University System, the Legislature, and  
18 the Governor's Office. These standards and goals shall be  
19 consistent with s. 216.011(1) to maintain congruity with the  
20 performance-based budgeting process. This process requires  
21 that university accountability reports reflect measures  
22 defined through performance-based budgeting. The  
23 performance-based budgeting measures must also reflect the  
24 elements of teaching, research, and service inherent in the  
25 missions of the institutions in the State University System.

26 (1) By December 31 of each year, the Board of Regents  
27 shall submit an annual accountability report providing  
28 information on the implementation of performance standards,  
29 actions taken to improve university achievement of performance  
30 goals, the achievement of performance goals during the prior  
31 year, and initiatives to be undertaken during the next year.

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1 The accountability reports shall be designed in consultation  
 2 with the Governor's Office, the Office of Program Policy  
 3 Analysis and Government Accountability ~~the Auditor General,~~  
 4 and the Legislature.

5 Section 63. Subsection (5) of section 240.299, Florida  
 6 Statutes, is amended to read:

7 240.299 Direct-support organizations; use of property;  
 8 board of directors; activities; audit; facilities.--

9 (5) ANNUAL AUDIT.--Each direct-support organization  
 10 shall provide ~~make provisions~~ for an annual financial audit  
 11 ~~postaudit~~ of its ~~financial~~ accounts and records to be  
 12 conducted by an independent certified public accountant in  
 13 accordance with rules adopted ~~to be promulgated~~ by the Auditor  
 14 General pursuant to s. 11.45(8) and by the Board of Regents.  
 15 The annual audit report ~~shall include a management letter and~~  
 16 shall be submitted, within 9 months after the end of the  
 17 fiscal year, to the Auditor General and the Board of Regents  
 18 for review. The Board of Regents, ~~and~~ the Auditor General,  
 19 and the Office of Program Policy Analysis and Government  
 20 Accountability shall have the authority to require and receive  
 21 from the organization or from its independent auditor any  
 22 records ~~detail or supplemental data~~ relative to the operation  
 23 of the organization. The identity of donors who desire to  
 24 remain anonymous shall be protected, and that anonymity shall  
 25 be maintained in the auditor's report. All records of the  
 26 organization other than the auditor's report, management  
 27 letter, and any supplemental data requested by the Board of  
 28 Regents, ~~and~~ the Auditor General, and the Office of Program  
 29 Policy Analysis and Government Accountability shall be  
 30 confidential and exempt from the provisions of s. 119.07(1).

31 Section 64. Subsection (5) of section 240.2995,

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1 Florida Statutes, is amended to read:

2           240.2995 University health services support  
3 organizations.--

4           (5) Each university health services support  
5 organization shall provide ~~make provisions~~ for an annual  
6 financial audit ~~postaudit of its financial accounts to be~~  
7 ~~conducted by an independent certified public accountant in~~  
8 accordance with s. 240.299(4) ~~rules of the Board of Regents.~~  
9 ~~The annual audit report shall include a management letter and~~  
10 ~~shall be submitted to the Auditor General and the Board of~~  
11 ~~Regents for review. The Board of Regents and the Auditor~~  
12 ~~General shall have the authority to require and receive from~~  
13 ~~the organization or from its independent auditor any detail or~~  
14 ~~supplemental data relative to the operation of the~~  
15 ~~organization.~~The auditor's report, management letter, and any  
16 supplemental data requested by the Board of Regents and the  
17 Auditor General shall be considered public records, pursuant  
18 to s. 119.07.

19           Section 65. Paragraph (c) of subsection (8) of section  
20 240.311, Florida Statutes, is amended to read:

21           240.311 State Board of Community Colleges; powers and  
22 duties.--

23           (8)

24           (c) Any Florida not-for-profit corporation receiving  
25 funds pursuant to this section shall make provisions for an  
26 annual postaudit of its financial accounts to be conducted by  
27 an independent certified public accountant in accordance with  
28 rules to be adopted by the board. The annual audit report  
29 shall be submitted to the Auditor General and the board for  
30 review. The board, and the Auditor General, and the Office of  
31 Program Policy Analysis and Government Accountability shall



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1 have the authority to require and receive from the  
2 organization or from its independent auditor any detail or  
3 supplemental data relative to the operation of the  
4 organization.

5 Section 66. Subsection (6) of section 240.331, Florida  
6 Statutes, is amended to read:

7 240.331 Community college direct-support  
8 organizations.--

9 (6) ANNUAL AUDIT.--Each direct-support organization  
10 shall provide ~~make provisions~~ for an annual financial audit  
11 ~~postaudit of its financial accounts to be conducted by an~~  
12 ~~independent certified public accountant~~ in accordance with  
13 rules adopted to be promulgated by the Auditor General  
14 pursuant to s. 11.45(8)district board of trustees. The annual  
15 audit report must be submitted, within 9 months after the end  
16 of the fiscal year, to the Auditor General, the State Board of  
17 Community Colleges, and the board of trustees for review. The  
18 board of trustees, and the Auditor General, and the Office of  
19 Program Policy Analysis and Government Accountability may  
20 require and receive from the organization or from its  
21 independent auditor any detail or supplemental data relative  
22 to the operation of the organization. The identity of donors  
23 who desire to remain anonymous shall be protected, and that  
24 anonymity shall be maintained in the auditor's report. All  
25 records of the organization, other than the auditor's report,  
26 any information necessary for the auditor's report, any  
27 information related to the expenditure of funds, and any  
28 supplemental data requested by the board of trustees, and the  
29 Auditor General, and the Office of Program Policy Analysis and  
30 Government Accountability, shall be confidential and exempt  
31 from the provisions of s. 119.07(1).

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1           Section 67. Subsection (6) of section 240.3315,  
2 Florida Statutes, is amended to read:

3           240.3315 Statewide community college direct-support  
4 organizations.--

5           (6) ANNUAL AUDIT.--A statewide community college  
6 direct-support organization shall provide ~~make provisions~~ for  
7 an annual financial audit ~~postaudit of its financial accounts~~  
8 ~~to be conducted by an independent certified public accountant~~  
9 in accordance with s. 240.331 ~~rules to be adopted by the State~~  
10 ~~Board of Community Colleges. The annual audit report shall be~~  
11 ~~submitted to the Auditor General and the State Board of~~  
12 ~~Community Colleges for review. The State Board of Community~~  
13 ~~Colleges and the Auditor General shall have the authority to~~  
14 ~~require and receive from the organization or from its~~  
15 ~~independent auditor any detail or supplemental data relative~~  
16 ~~to the operation of the organization.~~The identity of a donor  
17 or prospective donor who desires to remain anonymous and all  
18 information identifying such donor or prospective donor are  
19 confidential and exempt from the provisions of s. 119.07(1)  
20 and s. 24(a), Art. I of the State Constitution. Such anonymity  
21 shall be maintained in the auditor's report.

22           Section 68. Section 240.3631, Florida Statutes, is  
23 created to read:

24           240.3631 Financial and performance audits.--Each  
25 district board of trustees of a community college is  
26 authorized to have an audit of their accounts and records by  
27 an independent certified public accountant retained by them  
28 and paid from their public funds. These audits are in  
29 addition to those required by s. 11.45.

30           Section 69. Paragraph (d) of subsection (2) and  
31 paragraph (b) of subsection (8) of section 240.512, Florida

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1 Statutes, are amended to read:

2           240.512 H. Lee Moffitt Cancer Center and Research  
3 Institute.--There is established the H. Lee Moffitt Cancer  
4 Center and Research Institute at the University of South  
5 Florida.

6           (2) The Board of Regents shall provide in the  
7 agreement with the not-for-profit corporation for the  
8 following:

9           (d) Preparation of an annual postaudit of the  
10 not-for-profit corporation's financial accounts and the  
11 financial accounts of any subsidiaries to be conducted by an  
12 independent certified public accountant. The annual audit  
13 report shall include management letters and shall be submitted  
14 to the Auditor General and the Board of Regents for review.  
15 The Board of Regents, and the Auditor General, and the Office  
16 of Program Policy Analysis and Government Accountability shall  
17 have the authority to require and receive from the  
18 not-for-profit corporation and any subsidiaries or from their  
19 independent auditor any detail or supplemental data relative  
20 to the operation of the not-for-profit corporation or  
21 subsidiary.

22           (8)

23           (b) Proprietary confidential business information is  
24 confidential and exempt from the provisions of s. 119.07(1)  
25 and s. 24(a), Art. I of the State Constitution. However, the  
26 Auditor General, the Office of Program Policy Analysis and  
27 Government Accountability, and Board of Regents, pursuant to  
28 their oversight and auditing functions, must be given access  
29 to all proprietary confidential business information upon  
30 request and without subpoena and must maintain the  
31 confidentiality of information so received. As used in this

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1 paragraph, the term "proprietary confidential business  
2 information" means information, regardless of its form or  
3 characteristics, which is owned or controlled by the  
4 not-for-profit corporation or its subsidiaries; is intended to  
5 be and is treated by the not-for-profit corporation or its  
6 subsidiaries as private and the disclosure of which would harm  
7 the business operations of the not-for-profit corporation or  
8 its subsidiaries; has not been intentionally disclosed by the  
9 corporation or its subsidiaries unless pursuant to law, an  
10 order of a court or administrative body, a legislative  
11 proceeding pursuant to s. 5, Art. III of the State  
12 Constitution, or a private agreement that provides that the  
13 information may be released to the public; and which is  
14 information concerning:

15 1. Internal auditing controls and reports of internal  
16 auditors;

17 2. Matters reasonably encompassed in privileged  
18 attorney-client communications;

19 3. Contracts for managed-care arrangements, including  
20 preferred provider organization contracts, health maintenance  
21 organization contracts, and exclusive provider organization  
22 contracts, and any documents directly relating to the  
23 negotiation, performance, and implementation of any such  
24 contracts for managed-care arrangements;

25 4. Bids or other contractual data, banking records,  
26 and credit agreements the disclosure of which would impair the  
27 efforts of the not-for-profit corporation or its subsidiaries  
28 to contract for goods or services on favorable terms;

29 5. Information relating to private contractual data,  
30 the disclosure of which would impair the competitive interest  
31 of the provider of the information;

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- 1           6. Corporate officer and employee personnel
- 2 information;
- 3           7. Information relating to the proceedings and records
- 4 of credentialing panels and committees and of the governing
- 5 board of the not-for-profit corporation or its subsidiaries
- 6 relating to credentialing;
- 7           8. Minutes of meetings of the governing board of the
- 8 not-for-profit corporation and its subsidiaries, except
- 9 minutes of meetings open to the public pursuant to subsection
- 10 (9);
- 11           9. Information that reveals plans for marketing
- 12 services that the corporation or its subsidiaries reasonably
- 13 expect to be provided by competitors;
- 14           10. Trade secrets as defined in s. 688.002, including
- 15 reimbursement methodologies or rates; or
- 16           11. The identity of donors or prospective donors of
- 17 property who wish to remain anonymous or any information
- 18 identifying such donors or prospective donors. The anonymity
- 19 of these donors or prospective donors must be maintained in
- 20 the auditor's report.

21

22 As used in this paragraph, the term "managed care" means

23 systems or techniques generally used by third-party payors or

24 their agents to affect access to and control payment for

25 health care services. Managed-care techniques most often

26 include one or more of the following: prior, concurrent, and

27 retrospective review of the medical necessity and

28 appropriateness of services or site of services; contracts

29 with selected health care providers; financial incentives or

30 disincentives related to the use of specific providers,

31 services, or service sites; controlled access to and

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1 coordination of services by a case manager; and payor efforts  
2 to identify treatment alternatives and modify benefit  
3 restrictions for high-cost patient care.

4 Section 70. Subsection (3) of section 240.5285,  
5 Florida Statutes, is amended to read:

6 240.5285 Florida Atlantic University campuses.--

7 (3) The Board of Regents shall take all actions  
8 necessary to assure that Florida Atlantic University Broward  
9 and Florida Atlantic University Boca Raton are partners in the  
10 overall policymaking and academic governance structures of the  
11 university. Annual legislative budget requests for operations  
12 and facilities shall separately identify those funds requested  
13 for Florida Atlantic University Broward and Florida Atlantic  
14 University Boca Raton. Florida Atlantic University Broward  
15 and Florida Atlantic University Boca Raton shall have local  
16 management authority over their campus faculty, staff, and  
17 programs, but there shall be universitywide standards and  
18 processes for evaluating requests for promotion and tenure;  
19 there shall be complete transferability of credits and uniform  
20 programs across campuses; and colleges operating on multiple  
21 campuses shall have only one dean for each college. Florida  
22 Atlantic University Broward shall establish a faculty senate  
23 and may establish a direct-support organization. Any such  
24 direct-support organization shall be subject to s. 240.299(4).

25 Section 71. Paragraphs (b), (c), (d), (e), (f), and  
26 (g) of subsection (22) of section 240.551, Florida Statutes,  
27 are amended to read:

28 240.551 Florida Prepaid College Program.--

29 (22) DIRECT-SUPPORT ORGANIZATION; AUTHORITY.--

30 (b) The direct-support organization shall operate  
31 under written contract with the board. The contract must

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1 provide for:

2 1. Approval of the articles of incorporation and  
3 bylaws of the direct-support organization by the board.

4 2. Submission of an annual budget for the approval of  
5 the board. The budget must comply with rules adopted by the  
6 board.

7 3. An annual financial ~~and compliance~~ audit of its  
8 financial accounts and records by an independent certified  
9 public accountant in accordance with s. 215.98 ~~rules adopted~~  
10 ~~by the board.~~

11 4. Certification by the board that the direct-support  
12 organization is complying with the terms of the contract and  
13 in a manner consistent with the goals and purposes of the  
14 board and in the best interest of the state. Such  
15 certification must be made annually and reported in the  
16 official minutes of a meeting of the board.

17 5. The reversion to the board, or to the state if the  
18 board ceases to exist, of moneys and property held in trust by  
19 the direct-support organization for the benefit of the board  
20 or program if the direct-support organization is no longer  
21 approved to operate for the board or if the board ceases to  
22 exist.

23 6. The fiscal year of the direct-support organization,  
24 which must begin July 1 of each year and end June 30 of the  
25 following year.

26 7. The disclosure of material provisions of the  
27 contract and of the distinction between the board and the  
28 direct-support organization to donors of gifts, contributions,  
29 or bequests, and such disclosure on all promotional and  
30 fundraising publications.

31 ~~(c) An annual financial and compliance audit of the~~

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1 ~~financial accounts and records of the direct-support~~  
2 ~~organization must be performed by an independent certified~~  
3 ~~public accountant. The audit must be submitted to the board~~  
4 ~~for review and approval. Upon approval, the board shall~~  
5 ~~certify the audit report to the Auditor General for review.~~  
6 ~~The board and Auditor General shall have the authority to~~  
7 ~~require and receive from the organization or its independent~~  
8 ~~auditor any detail or supplemental data relative to the~~  
9 ~~operation of the organization.~~

10 (c)~~(d)~~ The identity of donors who desire to remain  
11 anonymous shall be confidential and exempt from the provisions  
12 of s. 119.07(1) and s. 24(a), Art. I of the State  
13 Constitution, and such anonymity shall be maintained in the  
14 auditor's report. Information received by the organization  
15 that is otherwise confidential or exempt by law shall retain  
16 such status. Any sensitive, personal information regarding  
17 contract beneficiaries, including their identities, is exempt  
18 from the provisions of s. 119.07(1) and s. 24(a), Art. I of  
19 the State Constitution.

20 (d)~~(e)~~ The chair and the executive director of the  
21 board shall be directors of the direct-support organization  
22 and shall jointly name three other individuals to serve as  
23 directors of the organization.

24 (e)~~(f)~~ The board may authorize the direct-support  
25 organization established in this subsection to use program  
26 property, except money, and use facilities and personal  
27 services subject to the provisions of this section. If the  
28 direct-support organization does not provide equal employment  
29 opportunities to all persons regardless of race, color,  
30 religion, sex, age, or national origin, it may not use the  
31 property, facilities, or personal services of the board. For



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1 the purposes of this subsection, the term "personal services"  
2 includes full-time personnel and part-time personnel as well  
3 as payroll processing as prescribed by rule of the board. The  
4 board shall adopt rules prescribing the procedures by which  
5 the direct-support organization is governed and any conditions  
6 with which such a direct-support organization must comply to  
7 use property, facilities, or personal services of the board.

8 ~~(f)(g)~~ The board may invest funds of the  
9 direct-support organization which have been allocated for the  
10 purchase of advance payment contracts for scholarships with  
11 receipts for advance payment contracts.

12 Section 72. Subsection (6) of section 240.609, Florida  
13 Statutes, is amended to read:

14 240.609 Postsecondary endowment grants.--

15 (6) Matching endowment grants made pursuant to this  
16 section to a qualified independent nonprofit college or  
17 university shall be placed in a separate restricted endowment  
18 by such institution. The interest or other income accruing  
19 from the endowment shall be expended exclusively for  
20 professorships, library resources, scientific and technical  
21 equipment, and nonathletic scholarships. Moreover, the funds  
22 in the endowment shall not be used for pervasively sectarian  
23 instruction, religious worship, or theology or divinity  
24 programs or resources. The records of the endowment shall be  
25 subject to review by the department and audit or examination  
26 by the Auditor General and the Office of Program Policy  
27 Analysis and Government Accountability. If any institution  
28 receiving a matching endowment grant pursuant to this section  
29 ceases operations and undergoes dissolution proceedings, then  
30 all funds received pursuant to this section from the state  
31 shall be returned.

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1           Section 73. Paragraph (h) of subsection (2) of section  
2 240.711, Florida Statutes, is amended to read:

3           240.711 Ringling Center for Cultural Arts.--

4           (2)

5           (h) The John and Mable Ringling Museum of Art  
6 direct-support organization shall provide for ~~cause~~ an annual  
7 financial audit ~~of its financial accounts to be conducted by~~  
8 ~~an independent certified public accountant, performed in~~  
9 accordance with s. 240.299(4) ~~generally accepted accounting~~  
10 ~~standards~~. Florida State University is authorized to require  
11 and receive from the direct-support organization, or from its  
12 independent auditor, any detail or supplemental data relative  
13 to the operation of such organization. Information that, if  
14 released, would identify donors who desire to remain  
15 anonymous, is confidential and exempt from the provisions of  
16 s. 119.07(1). Information that, if released, would identify  
17 prospective donors is confidential and exempt from the  
18 provisions of s. 119.07(1) when the direct-support  
19 organization has identified the prospective donor itself and  
20 has not obtained the name of the prospective donor by copying,  
21 purchasing, or borrowing names from another organization or  
22 source. Identities of such donors and prospective donors shall  
23 not be revealed in the auditor's report.

24           Section 74. Subsection (6) of section 250.115, Florida  
25 Statutes, is amended to read:

26           250.115 Department of Military Affairs direct-support  
27 organization.--

28           (6) ANNUAL AUDIT.--The direct-support organization  
29 shall provide ~~make provisions~~ for an annual financial audit  
30 ~~postaudit of its financial accounts to be conducted by an~~  
31 ~~independent certified public accountant~~ in accordance with s.

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1 ~~215.98 rules to be promulgated by the Adjutant General. The~~  
2 ~~annual audit report shall be submitted to the Auditor General~~  
3 ~~and the Adjutant General. The Adjutant General and the Auditor~~  
4 ~~General may require and receive from the organization or its~~  
5 ~~independent auditor any detail or supplemental data relative~~  
6 ~~to the operation of the organization.~~

7 Section 75. Subsection (11) of section 253.025,  
8 Florida Statutes, is amended to read:

9 253.025 Acquisition of state lands for purposes other  
10 than preservation, conservation, and recreation.--

11 (11) The Auditor General shall conduct audits  
12 ~~performance postaudits~~ of acquisitions and divestitures which,  
13 according to his or her preliminary assessments of  
14 board-approved acquisitions and divestitures, ~~review of the~~  
15 ~~overall land acquisition program~~ he or she deems necessary.  
16 These preliminary assessments shall ~~selected reviews will~~ be  
17 initiated not later than ~~within~~ 60 days following the final  
18 approval by the board of land acquisitions under this section.  
19 If an audit is conducted, the Auditor General shall submit an  
20 audit report to the board of trustees, the President of the  
21 Senate, the Speaker of the House of Representatives, and their  
22 designees.

23 Section 76. Subsection (16) of section 259.041,  
24 Florida Statutes, is amended to read:

25 259.041 Acquisition of state-owned lands for  
26 preservation, conservation, and recreation purposes.--

27 (16) The Auditor General shall conduct audits  
28 ~~performance postaudits~~ of acquisitions and divestitures which  
29 he or she deems necessary, according to his or her preliminary  
30 assessments of board-approved acquisitions and divestitures  
31 ~~review of the overall land acquisition program.~~ These

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1 preliminary assessments shall ~~selected reviews will~~ be  
2 initiated not later than ~~within~~ 60 days following the final  
3 approval by the board of land acquisitions under this section.  
4 If an audit is conducted, the Auditor General shall submit an  
5 audit report to the board of trustees, the President of the  
6 Senate, the Speaker of the House of Representatives, and their  
7 designees.

8 Section 77. Subsection (7) of section 266.0018,  
9 Florida Statutes, is amended to read:

10 266.0018 Direct-support organization.--

11 (7) The direct-support organization shall provide for  
12 an annual financial and compliance audit of its financial  
13 accounts and records by an independent certified public  
14 accountant in accordance with s. 215.98 ~~rules established by~~  
15 ~~the board~~. The annual audit report must be submitted to the  
16 board for review and approval. Upon approval, the board shall  
17 certify the audit report to the Auditor General for review.

18 Section 78. Subsection (3) of section 267.17, Florida  
19 Statutes, is amended to read:

20 267.17 Citizen support organizations; use of state  
21 property; audit.--

22 (3) ANNUAL AUDIT.--Each citizen support organization  
23 shall provide for ~~cause~~ an annual financial audit in  
24 accordance with s. 215.98 ~~postaudit of its financial accounts~~  
25 ~~to be conducted by an independent certified public accountant.~~  
26 ~~The annual audit report shall be submitted to the division for~~  
27 ~~review. The Auditor General and the division are each~~  
28 ~~authorized to require and obtain from the citizen support~~  
29 ~~organization, or from its independent auditor, such data as~~  
30 ~~may be needed relative to the operation of the organization.~~  
31 The identity of donors who desire to remain anonymous shall be

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1 confidential and exempt from the provisions of s. 119.07(1),  
2 and that anonymity shall be maintained in the auditor's  
3 report.

4 Section 79. Subsection (6) of section 288.1226,  
5 Florida Statutes, is amended to read:

6 288.1226 Florida Tourism Industry Marketing  
7 Corporation; use of property; board of directors; duties;  
8 audit.--

9 (6) ANNUAL AUDIT.--The corporation shall provide ~~make~~  
10 ~~provision~~ for an annual financial audit in accordance with s.  
11 215.98 ~~postaudit of its financial accounts to be conducted by~~  
12 ~~an independent certified public accountant.~~ The annual audit  
13 report ~~shall be due prior to December 1 of each year, shall~~  
14 ~~include a management letter, and~~ shall be submitted to the  
15 Auditor General; the Office of Policy Analysis and Government  
16 Accountability; and the Office of Tourism, Trade, and Economic  
17 Development for review. The Office of Program Policy Analysis  
18 and Government Accountability; the Office of Tourism, Trade,  
19 and Economic Development; and the Auditor General have the  
20 authority to require and receive from the corporation or from  
21 its independent auditor any detail or supplemental data  
22 relative to the operation of the corporation. The Office of  
23 Tourism, Trade, and Economic Development shall annually  
24 certify whether the corporation is operating in a manner and  
25 achieving the objectives that are consistent with the policies  
26 and goals of the commission and its long-range marketing plan.  
27 The identity of a donor or prospective donor to the  
28 corporation who desires to remain anonymous and all  
29 information identifying such donor or prospective donor are  
30 confidential and exempt from the provisions of s. 119.07(1)  
31 and s. 24(a), Art. I of the State Constitution. Such

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1 anonymity shall be maintained in the auditor's report.

2 Section 80. Subsection (5) of section 288.1229,  
3 Florida Statutes, is amended to read:

4 288.1229 Promotion and development of sports-related  
5 industries and amateur athletics; direct-support organization;  
6 powers and duties.--

7 (5) The organization shall provide for an annual  
8 financial ~~and compliance~~ audit in accordance with s. 215.98 of  
9 ~~its financial accounts and records by an independent certified~~  
10 ~~public accountant pursuant to rules established by the Office~~  
11 ~~of Tourism, Trade, and Economic Development. The auditor~~  
12 ~~shall submit the audit report to the director of the office~~  
13 ~~for review and approval. If the audit report is approved, the~~  
14 ~~office shall certify the audit report to the Auditor General~~  
15 ~~for review.~~

16 Section 81. Subsection (4) of section 288.809, Florida  
17 Statutes, is amended to read:

18 288.809 Florida Intergovernmental Relations  
19 Foundation; use of property; board of directors; audit.--

20 (4) ANNUAL AUDIT.--The foundation shall provide ~~make~~  
21 ~~provision~~ for an annual financial audit in accordance with s.  
22 215.98 ~~postaudit of its financial accounts to be conducted by~~  
23 ~~an independent, certified public accountant. The annual audit~~  
24 ~~report shall include a management letter and shall be~~  
25 ~~submitted to the Auditor General and the department for~~  
26 ~~review. The department and the Auditor General have the~~  
27 ~~authority to require and receive from the foundation or from~~  
28 ~~its independent auditor any detail or supplemental data~~  
29 ~~relative to the operation of the foundation.~~The identity of a  
30 donor or prospective donor to the foundation who desires to  
31 remain anonymous and all information identifying such donor or

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1 prospective donor are confidential and exempt from the  
2 provisions of s. 119.07(1) and s. 24(a), Art. I of the State  
3 Constitution. Such anonymity shall be maintained in the  
4 auditor's report.

5 Section 82. Section 288.9517, Florida Statutes, is  
6 amended to read:

7 288.9517 Audits; confidentiality.--

8 (1) The Auditor General and the director of the Office  
9 of Program Policy Analysis and Government Accountability may,  
10 pursuant to their ~~his or her~~ own authority or at the direction  
11 of the Legislative Auditing Committee, conduct an audit or  
12 examination of the technology development board or the  
13 programs or entities created by the board. The audit,  
14 examination, or report may not reveal the identity of any  
15 person who has anonymously made a donation to the board  
16 pursuant to subsection (2).

17 (2) The identity of a donor, prospective donor, or  
18 inventor who contributes to the board who desires to remain  
19 anonymous and all information identifying such donor,  
20 prospective donor, or inventor who contributes to the board  
21 are confidential and exempt from the provisions of s.  
22 119.07(1) and s. 24(a), Art. I of the State Constitution. Such  
23 anonymity shall be maintained in the ~~auditor's~~ report.

24 Section 83. Subsection (5) of section 290.0056,  
25 Florida Statutes, is amended to read:

26 290.0056 Enterprise zone development agency.--

27 (5) The governing body shall designate a chair and  
28 vice chair from among the commissioners. An agency may employ  
29 an executive director, technical experts, and such other  
30 agents and employees, permanent and temporary, as it requires,  
31 and determine their qualifications, duties, and compensation.

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1 For such legal service as it requires, an agency may employ or  
2 retain its own counsel and legal staff. An agency authorized  
3 to transact business and exercise powers under this act shall  
4 file with the governing body ~~and with the Auditor General~~, on  
5 or before March 31 of each year, a report of its activities  
6 for the preceding fiscal year, which report shall include a  
7 complete financial statement setting forth its assets,  
8 liabilities, income, and operating expenses as of the end of  
9 such fiscal year. At the time of filing the report, the agency  
10 shall publish in a newspaper of general circulation in the  
11 community a notice to the effect that such report has been  
12 filed with the county or municipality and that the report is  
13 available for inspection during business hours in the office  
14 of the clerk of the municipality or county and in the office  
15 of the agency.

16 Section 84. Section 290.015, Florida Statutes, is  
17 amended to read:

18 290.015 Evaluation and review.--

19 (1) Prior to January 1, 1995, the department shall  
20 prescribe by rule, subject to the approval of the Office of  
21 Program Policy Analysis and Government Accountability ~~Auditor~~  
22 ~~General~~, a research design for the review and evaluation of  
23 ss. 290.001-290.016, together with the incentives listed in s.  
24 290.007. The research design shall set forth the types of  
25 additional information necessary to effectuate the research  
26 design. Such information shall be provided in the report  
27 required pursuant to s. 290.014(2).

28 (2) Prior to the 2000 Regular Session of the  
29 Legislature, the Office of Program Policy Analysis and  
30 Government Accountability ~~Auditor General~~ shall perform a  
31 review and evaluation of ss. 290.001-290.016, together with



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1 the incentives listed in s. 290.007, using the research design  
2 promulgated pursuant to subsection (1). The report shall  
3 critique the enterprise zone program and shall include an  
4 analysis of the state incentives listed under s. 290.007. A  
5 report of the findings and recommendations of the Office of  
6 Program Policy Analysis and Government Accountability Auditor  
7 ~~General~~ shall be submitted to the President of the Senate and  
8 the Speaker of the House of Representatives prior to the 2000  
9 Regular Session. The appropriate committees of the Senate and  
10 House of Representatives shall consider legislation to  
11 implement the recommendations of the Office of Program Policy  
12 Analysis and Government Accountability Auditor General.

13 (3) Prior to the 2001 Regular Session of the  
14 Legislature, the appropriate substantive committees of both  
15 the Senate and the House of Representatives, upon assignment  
16 by the President and Speaker, respectively, shall be  
17 responsible for the completion of a review and evaluation of  
18 ss. 290.001-290.016, together with the incentives listed in s.  
19 290.007.

20 Section 85. Section 296.17, Florida Statutes, is  
21 amended to read:

22 296.17 Audit; inspection; and standards for the  
23 home.--The home shall be open at any time to audit and  
24 inspection by the Auditor General and the Office of Program  
25 Policy Analysis and Government Accountability, as provided by  
26 law in s. 11.45, the Department of Veterans' Affairs, the  
27 United States Department of Veterans Affairs, and to any other  
28 audits or inspections as required by law to maintain  
29 appropriate standards in the home. The standards that the  
30 department shall use to regulate the operation of the home  
31 shall be those prescribed by the United States Department of

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1 Veterans Affairs, provided that where the state's standards  
2 are more restrictive, the standards of the state shall apply.

3 Section 86. Section 296.41, Florida Statutes, is  
4 amended to read:

5 296.41 Audit; inspection; standards for the home.--The  
6 home shall be open at any time to audit and inspection by the  
7 Auditor General and the Office of Program Policy Analysis and  
8 Government Accountability, as provided by law in s. 11.45, the  
9 department, and the United States Department of Veterans  
10 Affairs, and to any other audits or inspections as required by  
11 law to maintain appropriate standards in the home. The  
12 standards that the department shall use to regulate the  
13 operation of the home shall be those prescribed by the United  
14 States Department of Veterans Affairs, provided that where the  
15 state's standards are more restrictive, the standards of the  
16 state shall apply.

17 Section 87. Paragraph (a) of subsection (3) of section  
18 311.07, Florida Statutes, is amended to read:

19 311.07 Florida seaport transportation and economic  
20 development funding.--

21 (3)(a) Program funds shall be used to fund approved  
22 projects on a 50-50 matching basis with any of the deepwater  
23 ports, as listed in s. 403.021(9)(b), which is governed by a  
24 public body or any other deepwater port which is governed by a  
25 public body and which complies with the water quality  
26 provisions of s. 403.061, the comprehensive master plan  
27 requirements of s. 163.3178(2)(k), the local financial  
28 management and reporting provisions of part III of chapter  
29 218, ~~and the auditing provisions of s. 11.45(3)(a)5~~. Program  
30 funds also may be used by the Seaport Transportation and  
31 Economic Development Council to develop with the Florida Trade

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1 Data Center such trade data information products which will  
2 assist Florida's seaports and international trade.

3 Section 88. Subsections (5), (6), and (7) of section  
4 320.023, Florida Statutes, are amended to read:

5 320.023 Requests to establish voluntary checkoff on  
6 motor vehicle registration application.--

7 (5) A voluntary contribution collected and distributed  
8 under this chapter, or any interest earned from those  
9 contributions, may not be used for commercial or for-profit  
10 activities nor for general or administrative expenses, except  
11 as authorized by law, ~~or to pay the cost of the audit or~~  
12 ~~report required by law.~~

13 (a) All organizations that receive annual use fee  
14 proceeds from the department are responsible for ensuring that  
15 proceeds are used in accordance with law.

16 ~~(b) All organizational recipients of any voluntary~~  
17 ~~contributions in excess of \$15,000, not otherwise subject to~~  
18 ~~annual audit by the Office of the Auditor General, shall~~  
19 ~~submit an annual audit of the expenditures of these~~  
20 ~~contributions and interest earned from these contributions, to~~  
21 ~~determine if expenditures are being made in accordance with~~  
22 ~~the specifications outlined by law. The audit shall be~~  
23 ~~prepared by a certified public accountant licensed under~~  
24 ~~chapter 473 at that organizational recipient's expense. The~~  
25 ~~notes to the financial statements should state whether~~  
26 ~~expenditures were made in accordance with law.~~

27 ~~(b)(c) Any organization not subject to~~ In lieu of an  
28 annual audit pursuant to s. 215.97 shall, ~~any organization~~  
29 ~~receiving less than \$15,000 in voluntary contributions~~  
30 ~~directly from the department may annually attest report,~~ under  
31 penalties of perjury, that such proceeds were used in

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1 compliance with law. The attestation shall be made annually in  
2 a form and format determined by the department.

3 ~~(c)(d)~~ Any voluntary contributions authorized by law  
4 shall only be distributed to an organization under an  
5 appropriation by the Legislature.

6 ~~(d)(e)~~ Any organization subject to audit pursuant to  
7 s. 215.97 shall submit an audit report in accordance with  
8 rules adopted by the Auditor General. The annual attestation  
9 audit or report shall be submitted to the department for  
10 review within 9 months ~~180 days~~ after the end of the  
11 organization's fiscal year.

12 (6) Within 90 days after receiving an organization's  
13 audit or attestation report, the department shall determine  
14 which recipients have not complied with subsection (5). If  
15 the department determines that an organization has not  
16 complied or has failed to use the revenues in accordance with  
17 law, the department must discontinue the distribution of the  
18 revenues to the organization until the department determines  
19 that the organization has complied. If an organization fails  
20 to comply within 12 months after the voluntary contributions  
21 are withheld by the department, the proceeds shall be  
22 deposited into the Highway Safety Operating Trust Fund to  
23 offset department costs.

24 (7) ~~The Auditor General and the~~ department has have  
25 the authority to examine all records pertaining to the use of  
26 funds from the voluntary contributions authorized.

27 Section 89. Paragraph (b) of subsection (9) of section  
28 320.08058, Florida Statutes, is amended to read:

29 320.08058 Specialty license plates.--

30 (9) FLORIDA PROFESSIONAL SPORTS TEAM LICENSE PLATES.--

31 (b) The license plate annual use fees are to be

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1 annually distributed as follows:

2 1. Fifty-five percent of the proceeds from the Florida  
3 Professional Sports Team plate must be deposited into the  
4 Professional Sports Development Trust Fund within the Office  
5 of Tourism, Trade, and Economic Development. These funds must  
6 be used solely to attract and support major sports events in  
7 this state. As used in this subparagraph, the term "major  
8 sports events" means, but is not limited to, championship or  
9 all-star contests of Major League Baseball, the National  
10 Basketball Association, the National Football League, the  
11 National Hockey League, the men's and women's National  
12 Collegiate Athletic Association Final Four basketball  
13 championship, or a horseracing or dogracing Breeders' Cup. All  
14 funds must be used to support and promote major sporting  
15 events, and the uses must be approved by the Florida Sports  
16 Foundation.

17 2. The remaining proceeds of the Florida Professional  
18 Sports Team license plate must be allocated to the Florida  
19 Sports Foundation, a direct-support organization of the Office  
20 of Tourism, Trade, and Economic Development. These funds must  
21 be deposited into the Professional Sports Development Trust  
22 Fund within the Office of Tourism, Trade, and Economic  
23 Development. These funds must be used by the Florida Sports  
24 Foundation to promote the economic development of the sports  
25 industry; to distribute licensing and royalty fees to  
26 participating professional sports teams; to institute a grant  
27 program for communities bidding on minor sporting events that  
28 create an economic impact for the state; to distribute funds  
29 to Florida-based charities designated by the Florida Sports  
30 Foundation and the participating professional sports teams;  
31 and to fulfill the sports promotion responsibilities of the

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1 Office of Tourism, Trade, and Economic Development.

2 3. The Florida Sports Foundation shall provide an  
3 annual financial ~~and compliance~~ audit in accordance with s.  
4 215.98 of its financial accounts and records by an independent  
5 certified public accountant pursuant to the contract  
6 established by the Office of Tourism, Trade, and Economic  
7 Development as specified in s. 288.1229(5). The auditor shall  
8 submit the audit report to the Office of Tourism, Trade, and  
9 Economic Development for review and approval. If the audit  
10 report is approved, the office shall certify the audit report  
11 to the Auditor General for review.

12 Section 90. Section 320.08062, Florida Statutes, is  
13 amended to read:

14 320.08062 Audits and attestations required; annual use  
15 fees of specialty license plates.--

16 (1)(a) All organizations that receive annual use fee  
17 proceeds from the department are responsible for ensuring that  
18 proceeds are used in accordance with ss. 320.08056 and  
19 320.08058.

20 ~~(b) All organizational recipients of any specialty~~  
21 ~~license plate annual use fee authorized in this chapter, not~~  
22 ~~otherwise subject to annual audit by the Office of the Auditor~~  
23 ~~General, shall submit an annual audit of the expenditures of~~  
24 ~~annual use fees and interest earned from these fees, to~~  
25 ~~determine if expenditures are being made in accordance with~~  
26 ~~the specifications outlined by law. The audit shall be~~  
27 ~~prepared by a certified public accountant licensed under~~  
28 ~~chapter 473 at that organizational recipient's expense. The~~  
29 ~~notes to the financial statements should state whether~~  
30 ~~expenditures were made in accordance with ss. 320.08056 and~~  
31 ~~320.08058.~~

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1            ~~(b)(c)~~ Any organization not subject to ~~In lieu of an~~  
2 ~~annual audit pursuant to s. 215.97 shall,~~ any organization  
3 ~~receiving less than \$25,000 in annual use fee proceeds~~  
4 ~~directly from the department, or from another state agency,~~  
5 ~~may annually attest report,~~ under penalties of perjury, that  
6 such proceeds were used in compliance with ss. 320.08056 and  
7 320.08058. The attestation shall be made annually in a form  
8 and format determined by the department.

9            ~~(c)(d)~~ Any organization subject to audit pursuant to  
10 s. 215.97 shall submit an audit report in accordance with  
11 rules adopted by the Auditor General. ~~The annual attestation~~  
12 ~~audit or report~~ shall be submitted to the department for  
13 review within 9 months ~~180 days~~ after the end of the  
14 organization's fiscal year.

15            (2) Within 90 days after receiving an organization's  
16 audit or attestation report, the department shall determine  
17 which recipients of revenues from specialty license plate  
18 annual use fees have not complied with subsection (1). If the  
19 department determines that an organization has not complied or  
20 has failed to use the revenues in accordance with ss.  
21 320.08056 and 320.08058, the department must discontinue the  
22 distribution of the revenues to the organization until the  
23 department determines that the organization has complied. If  
24 an organization fails to comply within 12 months after the  
25 annual use fee proceeds are withheld by the department, the  
26 proceeds shall be deposited into the Highway Safety Operating  
27 Trust Fund to offset department costs related to the issuance  
28 of specialty license plates.

29            (3) ~~The Auditor General and the department~~ has have  
30 the authority to examine all records pertaining to the use of  
31 funds from the sale of specialty license plates.

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1           Section 91. Subsections (5), (6), and (7) of section  
2 322.081, Florida Statutes, are amended to read:

3           322.081 Requests to establish voluntary checkoff on  
4 driver's license application.--

5           (5) A voluntary contribution collected and distributed  
6 under this chapter, or any interest earned from those  
7 contributions, may not be used for commercial or for-profit  
8 activities nor for general or administrative expenses, except  
9 as authorized by law, ~~or to pay the cost of the audit or~~  
10 ~~report required by law.~~

11           (a) All organizations that receive annual use fee  
12 proceeds from the department are responsible for ensuring that  
13 proceeds are used in accordance with law.

14           ~~(b) All organizational recipients of any voluntary~~  
15 ~~contributions in excess of \$15,000, not otherwise subject to~~  
16 ~~annual audit by the Office of the Auditor General, shall~~  
17 ~~submit an annual audit of the expenditures of these~~  
18 ~~contributions and interest earned from these contributions, to~~  
19 ~~determine if expenditures are being made in accordance with~~  
20 ~~the specifications outlined by law. The audit shall be~~  
21 ~~prepared by a certified public accountant licensed under~~  
22 ~~chapter 473 at that organizational recipient's expense. The~~  
23 ~~notes to the financial statements should state whether~~  
24 ~~expenditures were made in accordance with law.~~

25           **(b)(c) Any organization not subject to** ~~In lieu of an~~  
26 ~~annual audit pursuant to s. 215.97 shall, any organization~~  
27 ~~receiving less than \$15,000 in voluntary contributions~~  
28 ~~directly from the department may annually attest report, under~~  
29 ~~penalties of perjury, that such proceeds were used in~~  
30 ~~compliance with law. The attestation shall be made annually in~~  
31 ~~a form and format determined by the department.~~



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1           ~~(c)~~(d) Any voluntary contributions authorized by law  
2 shall only be distributed to an organization under an  
3 appropriation by the Legislature.

4           ~~(d)~~(e) Any organization subject to audit pursuant to  
5 s. 215.97 shall submit an audit report in accordance with  
6 rules adopted by the Auditor General.The annual attestation  
7 ~~audit or report~~ must be submitted to the department for review  
8 within 9 months ~~180 days~~ after the end of the organization's  
9 fiscal year.

10           (6) Within 90 days after receiving an organization's  
11 audit or attestation report, the department shall determine  
12 which recipients have not complied with subsection (5). If  
13 the department determines that an organization has not  
14 complied or has failed to use the revenues in accordance with  
15 law, the department must discontinue the distribution of the  
16 revenues to the organization until the department determines  
17 that the organization has complied. If an organization fails  
18 to comply within 12 months after the voluntary contributions  
19 are withheld by the department, the proceeds shall be  
20 deposited into the Highway Safety Operating Trust Fund to  
21 offset department costs.

22           (7) The ~~Auditor General and the~~ department has have  
23 the authority to examine all records pertaining to the use of  
24 funds from the voluntary contributions authorized.

25           Section 92. Subsection (4) of section 334.0445,  
26 Florida Statutes, is amended to read:

27           334.0445 Model career service classification and  
28 compensation plan.--

29           (4) The department shall issue a baseline report on  
30 the performance measures outlined in subsection (3) within 30  
31 days after implementation of this act and shall provide

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1 quarterly progress reports to the Department of Management  
 2 Services, the Executive Office of the Governor, legislative  
 3 appropriations committees, legislative personnel committees,  
 4 the Auditor General, the Office of Program Policy Analysis and  
 5 Government Accountability, and the affected certified  
 6 bargaining unions. Such reports shall contain the mandatory  
 7 measures listed in this legislation, as well as other mutually  
 8 agreed-upon measures between the Department of Transportation,  
 9 the Department of Management Services, the Executive Office of  
 10 the Governor, legislative appropriations committees,  
 11 legislative personnel committees, and the affected certified  
 12 bargaining unions.

13 Section 93. Subsection (5) of section 339.406, Florida  
 14 Statutes, is amended, and subsection (7) is added to said  
 15 section, to read:

16 339.406 Contract between the department and the  
 17 corporation.--The contract must provide for:

18 (5) ~~The Yearly financial and compliance audits for~~  
 19 ~~each~~ corporation filing with by the department an annual  
 20 financial audit as defined in s. 11.45 and a management letter  
 21 ~~and the Auditor General.~~

22 (7) The authority for the department and the Auditor  
 23 General to conduct audits.

24 Section 94. Paragraph (a) of subsection (13) of  
 25 section 365.171, Florida Statutes, is amended to read:

26 365.171 Emergency telephone number "911."--

27 (13) "911" FEE.--

28 (a) Following approval by referendum as set forth in  
 29 paragraph (b), or following approval by a majority vote of its  
 30 board of county commissioners, a county may impose a "911" fee  
 31 to be paid by the local exchange subscribers within its

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1 boundaries served by the "911" service. Proceeds from the  
2 "911" fee shall be used only for "911" expenditures as set  
3 forth in subparagraph 6. The manner of imposing and  
4 collecting said payment shall be as follows:

5       1. At the request of the county subscribing to "911"  
6 service, the telephone company shall, insofar as is  
7 practicable, bill the "911" fee to the local exchange  
8 subscribers served by the "911" service, on an individual  
9 access line basis, at a rate not to exceed 50 cents per month  
10 per line (up to a maximum of 25 access lines per account bill  
11 rendered). However, the fee may not be assessed on any pay  
12 telephone in this state. A county collecting the fee for the  
13 first time may collect the fee for no longer than 36 months  
14 without initiating the acquisition of its "911" equipment.

15       2. Fees collected by the telephone company pursuant to  
16 subparagraph 1. shall be returned to the county, less the  
17 costs of administration retained pursuant to paragraph (c).  
18 The county shall provide a minimum of 90 days' written notice  
19 to the telephone company prior to the collection of any "911"  
20 fees.

21       3. Any county that currently has an operational "911"  
22 system or that is actively pursuing the implementation of a  
23 "911" system shall establish a fund to be used exclusively for  
24 receipt and expenditure of "911" fee revenues collected  
25 pursuant to this section. All fees placed in said fund, and  
26 any interest accrued thereupon, shall be used solely for "911"  
27 costs described in subparagraph 6. The money collected and  
28 interest earned in this fund shall be appropriated for "911"  
29 purposes by the county commissioners and incorporated into the  
30 annual county budget. Such fund shall be included within the  
31 financial audit performed ~~The county shall annually have a~~

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1 ~~financial audit performed on this fund~~, in accordance with s.  
2 218.39 ~~11.45~~. A report of the audit shall be forwarded to the  
3 department within 60 days of its completion. A county may  
4 carry forward on an annual basis unspent moneys in the fund  
5 for expenditures allowed by this section, or it may reduce its  
6 fee. However, in no event shall a county carry forward more  
7 than 10 percent of the "911" fee billed for the prior year.  
8 The amount of moneys carried forward each year may be  
9 accumulated in order to allow for capital improvements  
10 described in this subsection. The carryover shall be  
11 documented by resolution of the board of county commissioners  
12 expressing the purpose of the carryover or by an adopted  
13 capital improvement program identifying projected expansion or  
14 replacement expenditures for "911" equipment and service  
15 features, or both. In no event shall the "911" fee carryover  
16 surplus moneys be used for any purpose other than for the  
17 "911" equipment, service features, and installation charges  
18 authorized in subparagraph 6. Nothing in this section shall  
19 prohibit a county from using other sources of revenue for  
20 improvements, replacements, or expansions of its "911" system.  
21 A county may increase its fee for purposes authorized in this  
22 section. However, in no case shall the fee exceed 50 cents per  
23 month per line. All current "911" fees shall be reported to  
24 the department within 30 days of the start of each county's  
25 fiscal period. Any fee adjustment made by a county shall be  
26 reported to the department. A county shall give the telephone  
27 company a 90-day written notice of such fee adjustment.

28 4. The telephone company shall have no obligation to  
29 take any legal action to enforce collection of the "911" fee.  
30 The telephone company shall provide quarterly to the county a  
31 list of the names, addresses, and telephone numbers of any and

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1 all subscribers who have identified to the telephone company  
2 their refusal to pay the "911" fee.

3           5. The county subscribing to "911" service shall  
4 remain liable to the telephone company for any "911" service,  
5 equipment, operation, or maintenance charge owed by the county  
6 to the telephone company.

7  
8 As used in this paragraph, "telephone company" means an  
9 exchange telephone service provider of "911" service or  
10 equipment to any county within its certificated area.

11           6. It is the intent of the Legislature that the "911"  
12 fee authorized by this section to be imposed by counties will  
13 not necessarily provide the total funding required for  
14 establishing or providing the "911" service. For purposes of  
15 this section, "911" service includes the functions of database  
16 management, call taking, location verification, and call  
17 transfer. The following costs directly attributable to the  
18 establishment and/or provision of "911" service are eligible  
19 for expenditure of moneys derived from imposition of the "911"  
20 fee authorized by this section: the acquisition,  
21 implementation, and maintenance of Public Safety Answering  
22 Point (PSAP) equipment and "911" service features, as defined  
23 in the Florida Public Service Commission's lawfully approved  
24 "911" and related tariffs and/or the acquisition,  
25 installation, and maintenance of other "911" equipment,  
26 including call answering equipment, call transfer equipment,  
27 ANI controllers, ALI controllers, ANI displays, ALI displays,  
28 station instruments, "911" telecommunications systems,  
29 teleprinters, logging recorders, instant playback recorders,  
30 telephone devices for the deaf (TDD) used in the "911" system,  
31 PSAP backup power systems, consoles, automatic call

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1 distributors, and interfaces (hardware and software) for  
2 computer-aided dispatch (CAD) systems; salary and associated  
3 expenses for "911" call takers for that portion of their time  
4 spent taking and transferring "911" calls; salary and  
5 associated expenses for a county to employ a full-time  
6 equivalent "911" coordinator position and a full-time  
7 equivalent staff assistant position per county for the portion  
8 of their time spent administrating the "911" system; training  
9 costs for PSAP call takers in the proper methods and  
10 techniques used in taking and transferring "911" calls; and  
11 expenses required to develop and maintain all information (ALI  
12 and ANI databases and other information source repositories)  
13 necessary to properly inform call takers as to location  
14 address, type of emergency, and other information directly  
15 relevant to the "911" call-taking and transferring function.  
16 The "911" fee revenues shall not be used to pay for any item  
17 not listed, including, but not limited to, any capital or  
18 operational costs for emergency responses which occur after  
19 the call transfer to the responding public safety entity and  
20 the costs for constructing buildings, leasing buildings,  
21 maintaining buildings, or renovating buildings, except for  
22 those building modifications necessary to maintain the  
23 security and environmental integrity of the PSAP and "911"  
24 equipment rooms.

25           7. It is the goal of the Legislature that enhanced  
26 "911" service be available throughout the state. Expenditure  
27 by counties of the "911" fees authorized by this section  
28 should support this goal to the greatest extent feasible  
29 within the context of local service needs and fiscal  
30 capability. Nothing in this section shall be construed to  
31 prohibit two or more counties from establishing a combined

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1 emergency "911" telephone service by interlocal agreement and  
2 utilizing the "911" fees authorized by this section for such  
3 combined "911" service.

4 Section 95. Subsection (3) of section 372.0215,  
5 Florida Statutes, is amended to read:

6 372.0215 Citizen support organizations; use of state  
7 property; audit.--

8 (3) Each citizen support organization shall provide  
9 for an annual financial audit in accordance with s. 215.98 of  
10 ~~its financial records and accounts by an independent certified~~  
11 ~~public accountant. A citizen support organization shall~~  
12 ~~submit its annual audit report to the commission for review.~~  
13 ~~The commission shall submit the audit report to the Auditor~~  
14 ~~General. The commission and the Auditor General may obtain~~  
15 ~~additional data relative to the operation of a citizen support~~  
16 ~~organization from the citizen support organization or from its~~  
17 ~~independent auditor.~~ The identity of a donor or prospective  
18 donor to a citizen support organization who desires to remain  
19 anonymous and all information identifying such donor or  
20 prospective donor are confidential and exempt from the  
21 provisions of s. 119.07(1) and s. 24(a), Art. I of the State  
22 Constitution. Such anonymity shall be maintained in the  
23 auditor's report.

24 Section 96. Subsection (3) of section 373.45926,  
25 Florida Statutes, is amended to read:

26 373.45926 Everglades Trust Fund; allocation of  
27 revenues and expenditure of funds for conservation and  
28 protection of natural resources and abatement of water  
29 pollution.--

30 (3) The South Florida Water Management District shall  
31 furnish, on a quarterly basis, a detailed copy of its

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1 expenditures from the Everglades Trust Fund to the Governor,  
2 the President of the Senate, and the Speaker of the House of  
3 Representatives, and shall make copies available to the  
4 public. The information shall be provided in a format approved  
5 by the Joint Legislative Committee on Everglades Oversight. At  
6 the direction of the Joint Legislative Committee on Everglades  
7 Oversight, an audit ~~a postaudit~~ may be made from time to time  
8 by the Auditor General, and such audit shall be within the  
9 authority of said Auditor General, to make.

10 Section 97. Section 373.507, Florida Statutes, is  
11 amended to read:

12 373.507 Districts and basins; audits ~~postaudits~~,  
13 budgets.--

14 (1) Each basin referred to in this chapter must  
15 furnish a detailed copy of its budget and past year's  
16 expenditures to the Governor, the Legislature, and the  
17 governing body of each county in which the basin has  
18 jurisdiction or derives any funds for the operations of the  
19 basin.

20 ~~(2) Each district and basin referred to in this~~  
21 ~~chapter must make provision for an annual postaudit of its~~  
22 ~~financial accounts. The postaudit must be made in accordance~~  
23 ~~with the rules of the Auditor General adopted under ss. 11.47~~  
24 ~~and 166.241.~~

25 (2)(3)(a) Each district referred to in this chapter  
26 must furnish copies of the following documents to the  
27 Governor, the President of the Senate, the Speaker of the  
28 House of Representatives, the chairs of all legislative  
29 committees and subcommittees with substantive or fiscal  
30 jurisdiction over districts, as determined by the President or  
31 Speaker as applicable, the secretary of the department, and



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1 the governing body of each county in which the district has  
2 jurisdiction or derives any funds for the operations of the  
3 district:

- 4 1. The tentative budget.
- 5 2. The adopted budget.
- 6 3. The past year's expenditures.
- 7 4. The audit report required ~~postaudit described in s.~~  
8 218.39 subsection (2).

9 (b) The documents must be furnished by the earlier of  
10 10 days following completion of each document or as otherwise  
11 provided by law.

12 (c) If any entity in paragraph (a) provides written  
13 comments to the district regarding any document furnished, the  
14 district must respond to the comments in writing and furnish  
15 copies of the comments and written responses to the other  
16 entities.

17 (d) The audit report required in s. 218.39 shall be  
18 furnished to the governing board of the district and the  
19 clerks of the circuit courts of each county within or partly  
20 within the district.

21 Section 98. Subsection (9) of section 402.73, Florida  
22 Statutes, is amended to read:

23 402.73 Contracting and performance standards.--

24 (9) The department must implement systems and controls  
25 to ensure financial integrity and service provision quality in  
26 the developmental services Medicaid waiver service system. ~~The~~  
27 ~~Auditor General shall include specific reference to systems~~  
28 ~~and controls related to financial integrity in the~~  
29 ~~developmental services Medicaid waiver service system in his~~  
30 ~~or her audit of the department for each fiscal year.~~

31 Section 99. Subsection (8) of section 403.1826,

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1 Florida Statutes, is amended to read:

2 403.1826 Grants, requirements for eligibility.--

3 (8) Any local governmental agency receiving assistance  
4 under ss. 403.1821-403.1832 shall keep such records as the  
5 department prescribes, including records which fully disclose  
6 the amount and disposition by the recipient of the proceeds of  
7 such assistance, the total cost of the project or undertaking  
8 in connection with such assistance given or used, the amount  
9 of that portion of the cost of the project or undertaking  
10 supplied by other sources, and such other records as will  
11 facilitate an effective audit. The department, ~~and~~ the  
12 Auditor General, and the Office of Program Policy Analysis and  
13 Government Accountability, or any of their duly authorized  
14 representatives, shall have access, for the purpose of audit  
15 and examination, to any books, documents, papers, and records  
16 of the recipient that are pertinent to grants received under  
17 ss. 403.1821-403.1832. Upon project completion, the local  
18 governmental agency shall submit to the department a separate  
19 audit, by an independent certified public accountant, of the  
20 grant expenditures.

21 Section 100. Paragraph (d) of subsection (11) of  
22 section 403.8532, Florida Statutes, is amended to read:

23 403.8532 Drinking water state revolving loan fund;  
24 use; rules.--

25 (11) Prior to approval of a loan, the local government  
26 or public water system shall, at a minimum:

27 (d) Provide assurance that records will be kept using  
28 generally accepted government accounting principles standards  
29 and that the department or its agents and the Auditor General,  
30 ~~or their agents~~ will have access to all records pertaining to  
31 the loan.

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1           Section 101. Subsection (2) of section 403.864,  
2 Florida Statutes, is amended to read:  
3           403.864 Public water supply accounting program.--  
4           (2) In furtherance of this intent, the Department of  
5 Health ~~and~~ the department, ~~and the Auditor General~~ shall  
6 jointly develop an accounting program for use by the  
7 department and the Department of Health and its units,  
8 including the county health departments, to determine the  
9 funds, overhead, personnel, and property used by each of the  
10 departments in conducting its respective public water supply  
11 functions and responsibilities for each fiscal year. The  
12 accounting program shall provide information sufficient to  
13 satisfy state auditing and federal grant and aid reporting  
14 requirements and shall include provisions requiring the  
15 Department of Health to:  
16           (a) Segregate, from an accounting standpoint, funds  
17 distributed to county health departments for public water  
18 supply functions from other county health department trust  
19 funds.  
20           (b) Segregate, from an accounting standpoint, funds  
21 distributed to the central and branch laboratories of the  
22 Department of Health for public water supply functions from  
23 other laboratory funds.  
24           (c) Require each county health department, the central  
25 and each branch laboratory of the Department of Health, and  
26 any other entity of the Department of Health involved in and  
27 carrying out public water supply functions to account to the  
28 Department of Health on a semiannual basis for the funds  
29 received, from whatever source, and used for public water  
30 supply functions.  
31           (d) Require each county health department, the central

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1 and each branch laboratory of the Department of Health, and  
2 any other entity of the Department of Health involved in  
3 carrying out public water supply functions either wholly or  
4 partially with funds, either federal or state, received from  
5 the department through an interagency agreement or other means  
6 to account to the department on a semiannual basis for such  
7 funds received and used for public water supply functions.

8 Section 102. Paragraph (m) of subsection (4) of  
9 section 411.01, Florida Statutes, is amended to read:

10 411.01 Florida Partnership for School Readiness;  
11 school readiness coalitions.--

12 (4) FLORIDA PARTNERSHIP FOR SCHOOL READINESS.--

13 (m) The Florida Partnership for School Readiness shall  
14 have a budget, and shall be financed through an annual  
15 appropriation made for this purpose in the General  
16 Appropriations Act, ~~and shall be subject to compliance audits~~  
17 ~~and annual financial audits by the Auditor General.~~

18  
19 To ensure that the system for measuring school readiness is  
20 comprehensive and appropriate statewide, as the system is  
21 developed and implemented, the partnership must consult with  
22 representatives of district school systems, providers of  
23 public and private child care, health care providers, large  
24 and small employers, experts in education for children with  
25 disabilities, and experts in child development.

26 Section 103. Subsection (2) of section 411.221,  
27 Florida Statutes, is amended to read:

28 411.221 Prevention and early assistance strategic  
29 plan; agency responsibilities.--

30 (2) The strategic plan and subsequent plan revisions  
31 shall incorporate and otherwise utilize, to the fullest extent

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1 possible, the evaluation findings and recommendations from  
 2 intraagency, independent third-party, field projects, and  
 3 reports issued by the Auditor General or the Office of Program  
 4 Policy Analysis and Government Accountability evaluations, as  
 5 well as the recommendations of the State Coordinating Council  
 6 for School Readiness Programs.

7 Section 104. Subsection (11) of section 413.615,  
 8 Florida Statutes, is amended to read:

9 413.615 Florida Endowment for Vocational  
 10 Rehabilitation.--

11 (11) ANNUAL AUDIT.--The board shall provide for ~~cause~~  
 12 an annual financial audit of the foundation ~~foundation's~~  
 13 ~~financial accounts to be conducted by an independent certified~~  
 14 ~~public accountant in accordance with s. 215.98 rules adopted~~  
 15 ~~by the division. The annual audit report shall be submitted to~~  
 16 ~~the Auditor General and to the division for review. The~~  
 17 ~~Auditor General and the division are each authorized to~~  
 18 ~~require and receive from the foundation, or from its~~  
 19 ~~independent auditor, any relevant detail or supplemental data;~~  
 20 ~~however,~~The identities of donors and prospective donors who  
 21 desire to remain anonymous shall be protected, and that  
 22 anonymity shall be maintained in the auditor's report.

23 Section 105. Subsection (1) of section 413.87, Florida  
 24 Statutes, is amended to read:

25 413.87 Annual audit.--

26 (1) The corporation shall provide ~~make provision~~ for  
 27 an annual financial audit in accordance with s. 215.98  
 28 ~~postaudit of its financial accounts to be conducted by an~~  
 29 ~~independent certified public accountant. The annual audit~~  
 30 ~~report is due before December 1 of each year, must include a~~  
 31 ~~management letter, and must be submitted to the~~ commission,

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1 the Auditor General, and the Office of Program Policy Analysis  
2 and Government Accountability for review. The Office of  
3 Program Policy Analysis and Government Accountability, the  
4 commission, and the Auditor General have the authority to  
5 require and receive from the corporation or from its  
6 independent auditor any detail or supplemental data relative  
7 to the operation of the corporation. The corporation shall  
8 annually certify whether the corporation is operating in a  
9 manner that is consistent with, and achieving objectives that  
10 are consistent with, the policies and goals of the commission  
11 and the plan.

12 Section 106. Section 413.88, Florida Statutes, is  
13 amended to read:

14 413.88 Annual report of the Occupational Access and  
15 Opportunity Commission; audits.--

16 ~~(1)~~ Before January 1 of each year, the commission  
17 shall submit to the Governor, the President of the Senate, and  
18 the Speaker of the House of Representatives a complete and  
19 detailed report setting forth for itself and its designated  
20 administrative entity:

21 (1)~~(a)~~ Its operations and accomplishments during the  
22 fiscal year.

23 (2)~~(b)~~ Its business and operational plan.

24 (3)~~(c)~~ The assets and liabilities of the designated  
25 administrative entity at the end of its most recent fiscal  
26 year.

27 (4)~~(d)~~ A copy of the annual financial ~~and compliance~~  
28 audit.

29 ~~(2) The Auditor General may, pursuant to his or her~~  
30 ~~own authority or at the direction of the Legislative Auditing~~  
31 ~~Committee, conduct an audit of the commission or its~~

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1 ~~designated administrative entity.~~

2 Section 107. Subsection (12) and paragraph (b) of  
3 subsection (13) of section 446.609, Florida Statutes, are  
4 amended to read:

5 446.609 Jobs for Florida's Graduates Act.--

6 (12) ANNUAL AUDIT.--The board shall provide for ~~cause~~  
7 an annual financial audit of the foundation ~~foundation's~~  
8 ~~financial accounts to be conducted by an independent certified~~  
9 ~~public accountant in accordance with s. 215.98 rules adopted~~  
10 ~~by the department. The annual audit report shall be submitted~~  
11 ~~to the Auditor General and the department for review. The~~  
12 ~~Auditor General and the department may require and receive~~  
13 ~~from the foundation, or from its independent auditor, any~~  
14 ~~relevant detail or supplemental data.~~

15 (13) ASSESSMENT OF PROGRAM RESULTS.--The success of  
16 the Jobs for Florida's Graduates Program shall be assessed as  
17 follows:

18 (b) Beginning in the first year of the Jobs for  
19 Florida's Graduates Program, the Office ~~Division~~ of Economic  
20 and Demographic Research ~~of the Joint Legislative Management~~  
21 ~~Committee~~ shall undertake, during the initial phase, an  
22 ongoing longitudinal study of participants to determine the  
23 overall efficacy of the program. The division shall transmit  
24 its findings each year to the Office of Program Policy  
25 Analysis and Government Accountability for inclusion in the  
26 report provided for in paragraph (a).

27 Section 108. Subsection (9) of section 455.32, Florida  
28 Statutes, is amended to read:

29 455.32 Management Privatization Act.--

30 (9) The corporation shall provide for an annual  
31 financial ~~and compliance~~ audit of its financial accounts and

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1 records by an independent certified public accountant ~~in~~  
2 ~~accordance with generally accepted auditing standards.~~ The  
3 annual audit report shall include a management letter in  
4 accordance with s. 11.45 and a detailed supplemental schedule  
5 of expenditures for each expenditure category ~~and a management~~  
6 ~~letter.~~ The annual audit report must be submitted to the  
7 board, the department, and the Auditor General for review. ~~The~~  
8 ~~Auditor General may, pursuant to his or her authority or at~~  
9 ~~the direction of the Legislative Auditing Committee, conduct~~  
10 ~~an audit of the corporation.~~

11 Section 109. Paragraph (j) of subsection (3) of  
12 section 471.038, Florida Statutes, is amended to read:

13 471.038 Florida Engineers Management Corporation.--

14 (3) The Florida Engineers Management Corporation is  
15 created to provide administrative, investigative, and  
16 prosecutorial services to the board in accordance with the  
17 provisions of chapter 455 and this chapter. The management  
18 corporation may hire staff as necessary to carry out its  
19 functions. Such staff are not public employees for the  
20 purposes of chapter 110 or chapter 112, except that the board  
21 of directors and the staff are subject to the provisions of s.  
22 112.061. The provisions of s. 768.28 apply to the management  
23 corporation, which is deemed to be a corporation primarily  
24 acting as an instrumentality of the state, but which is not an  
25 agency within the meaning of s. 20.03(11). The management  
26 corporation shall:

27 (j) Provide for an annual financial ~~and compliance~~  
28 audit of its financial accounts and records by an independent  
29 certified public accountant ~~in accordance with generally~~  
30 ~~accepted auditing standards.~~ The annual audit report shall  
31 include a management letter in accordance with s. 11.45 and a



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1 detailed supplemental schedule of expenditures for each  
2 expenditure category ~~and a management letter~~. The annual audit  
3 report must be submitted to the board, the department, and the  
4 Auditor General for review. ~~The Auditor General may, pursuant~~  
5 ~~to his or her own authority or at the direction of the~~  
6 ~~Legislative Auditing Committee, conduct an audit of the~~  
7 ~~corporation.~~

8 Section 110. Paragraph (c) of subsection (2) of  
9 section 550.125, Florida Statutes, is amended to read:

10 550.125 Uniform reporting system; bond requirement.--

11 (2)

12 (c) The Auditor General and the Office of Program  
13 Policy Analysis and Government Accountability may, pursuant to  
14 their own authority or at the direction of the Legislative  
15 Auditing Committee, audit, examine, and check the books and  
16 records of any permitholder and, upon the request of the  
17 division, shall do so. These audit reports shall become part  
18 of, and be maintained in, the division files.

19 Section 111. Subsections (1) and (3) of section  
20 570.903, Florida Statutes, are amended to read:

21 570.903 Direct-support organization.--

22 (1) When the Legislature authorizes the establishment  
23 of a direct-support organization to provide assistance for the  
24 museums, the Florida Agriculture in the Classroom Program, the  
25 Florida State Collection of Arthropods, the Friends of the  
26 Florida State Forests Program of the Division of Forestry, and  
27 the Forestry Arson Alert Program, and other programs of the  
28 department, in addition to any specific provisions elsewhere  
29 stated, the following provisions shall govern the creation,  
30 use, powers, and duties of the direct-support organization.

31 (a) The department shall enter into a memorandum or

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1 letter of agreement with the direct-support organization,  
2 which shall specify the approval of the department, the powers  
3 and duties of the direct-support organization, and rules with  
4 which the direct-support organization shall comply.

5 (b) The department may permit, without charge,  
6 appropriate use of property, facilities, and personnel of the  
7 department by a direct-support organization, subject to the  
8 provisions of ss. 570.902 and 570.903. The use shall be  
9 directly in keeping with the approved purposes of the  
10 direct-support organization and shall not be made at times or  
11 places that would unreasonably interfere with opportunities  
12 for the general public to use department facilities for  
13 established purposes.

14 (c) The department shall prescribe by contract or by  
15 rule conditions with which a direct-support organization shall  
16 comply in order to use property, facilities, or personnel of  
17 the department or museum. Such rules shall provide for budget  
18 and audit review and oversight by the department.

19 (d) The department shall not permit the use of  
20 property, facilities, or personnel of the museum, department,  
21 or designated program by a direct-support organization which  
22 does not provide equal employment opportunities to all persons  
23 regardless of race, color, religion, sex, age, or national  
24 origin.

25 (3)(a) The direct-support organization shall provide  
26 ~~make provisions~~ for an annual financial audit ~~of its financial~~  
27 ~~accounts to be conducted by an independent certified public~~  
28 ~~accountant in accordance with s. 215.98 generally accepted~~  
29 ~~accounting principles; provided that a direct-support~~  
30 ~~organization having less than \$25,000 in total assets may be~~  
31 ~~audited by the department. The annual audit report shall be~~

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1 ~~submitted to the Auditor General and to the department for~~  
2 ~~review within 2 months after the end of the direct-support~~  
3 ~~organization's fiscal year.~~

4 ~~(b) If the direct-support organization fails to submit~~  
5 ~~the audit report at the appropriate time, the Auditor General~~  
6 ~~may, pursuant to her or his own authority, conduct the audit,~~  
7 ~~or the Auditor General shall conduct the audit at the~~  
8 ~~direction of the Joint Legislative Auditing Committee, or the~~  
9 ~~department shall engage an independent certified public~~  
10 ~~accountant to conduct the audit. The direct-support~~  
11 ~~organization shall pay for the entire costs of the audit.~~

12 ~~(c) The Auditor General and the department shall have~~  
13 ~~the authority to require and receive from the organization or~~  
14 ~~from its independent auditor any detail or supplemental data~~  
15 ~~relative to the operation of the direct-support organization.~~

16 Section 112. Paragraph (d) of subsection (10) of  
17 section 601.15, Florida Statutes, is amended to read:

18 601.15 Advertising campaign; methods of conducting;  
19 excise tax; emergency reserve fund; citrus research.--

20 (10) The powers and duties of the Department of Citrus  
21 include the following:

22 (d) To keep books, records, and accounts of all of its  
23 activities ~~doings~~, which books, records, and accounts shall be  
24 open to inspection, and ~~audit~~, and examination by the Auditor  
25 General and the Office of Program Policy Analysis and  
26 Government Accountability ~~at all times~~.

27 Section 113. Subsection (2) of section 616.263,  
28 Florida Statutes, is amended to read:

29 616.263 Annual reports ~~and audit~~ of authority.--

30 (2) The authority shall at all times maintain proper  
31 accounting systems and procedures and shall be subject to

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1 ~~audit annual auditing~~ by the Auditor General ~~as provided in s.~~  
2 ~~11.45.~~

3 Section 114. Subsection (4) of section 657.008,  
4 Florida Statutes, is amended to read:

5 657.008 Place of doing business.--

6 (4) Any credit union organized under this state or  
7 federal law, the members of which are presently, or were at  
8 the time of admission into the credit union, employees of the  
9 state or a political subdivision or municipality thereof, or  
10 members of the immediate families of such employees, may apply  
11 for space in any building owned or leased by the state or  
12 respective political subdivision or municipality in the  
13 community or district in which the credit union does business.  
14 The application shall be addressed to the officer charged with  
15 the allotment of space in such building. If space is  
16 available, the officer may allot space to the credit union at  
17 a reasonable charge for rent or services. If the governing  
18 body having jurisdiction over the building determines that the  
19 services rendered by the credit union to the employees of the  
20 governing body are equivalent to a reasonable charge for rent  
21 or services, available space may be allotted to the credit  
22 union without charge for rent or services. ~~The officer~~  
23 ~~charged with the allotment of space in such building shall~~  
24 ~~report annually the terms and conditions of such use of space~~  
25 ~~to the Auditor General.~~

26 Section 115. Subsection (5) of section 744.708,  
27 Florida Statutes, is amended to read:

28 744.708 Reports and standards.--

29 (5) An independent audit by a qualified certified  
30 public accountant shall be performed at least every 2 years.  
31 The audit should include an investigation into the practices

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1 of the office for managing the person and property of the  
 2 wards. A copy of the report shall be submitted to the  
 3 Statewide Public Guardianship Office. In addition, the office  
 4 of public guardian shall be subject to audits or examinations  
 5 by the Auditor General and the Office of Program Policy  
 6 Analysis and Government Accountability pursuant to law s-  
 7 11.45.

8 Section 116. Subsection (3) of section 943.25, Florida  
 9 Statutes, is amended to read:

10 943.25 Criminal justice trust funds; source of funds;  
 11 use of funds.--

12 (3) The Auditor General is directed in her or his  
 13 ~~financial~~ audit of courts to ascertain that such assessments  
 14 have been collected and remitted and shall report to the  
 15 Legislature ~~annually~~. All such records of the courts shall be  
 16 open for her or his inspection. The Auditor General is further  
 17 directed to conduct ~~financial~~ audits of the expenditures of  
 18 the trust funds and to report to the Legislature ~~annually~~.  
 19 Such audits shall be conducted in accordance with s. 11.45.

20 Section 117. Section 943.2569, Florida Statutes, is  
 21 amended to read:

22 943.2569 Annual audits of each center.--Each center  
 23 shall provide for contract with an independent certified  
 24 public accountant to conduct annual financial audit and a  
 25 management letter as defined in s. 11.45 audits of the center.  
 26 ~~Each audit must comply with the rules of the Auditor General~~  
 27 ~~for fiscal audits.~~

28 Section 118. Paragraph (c) of subsection (2) of  
 29 section 944.512, Florida Statutes, is amended to read:

30 944.512 State lien on proceeds from literary or other  
 31 type of account of crime for which convicted.--

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1           (2) The proceeds of such account shall be distributed  
2 in the following order:

3           (c) After payments have been made pursuant to  
4 paragraph (a) or paragraph (b), an amount equal to pay all  
5 court costs in the prosecution of the convicted felon, which  
6 shall include, but not be limited to, jury fees and expenses,  
7 court reporter fees, and reasonable per diem for the  
8 prosecuting attorneys for the state, shall go to the General  
9 Revenue Fund. Additional costs shall be assessed for the  
10 computed per capita cost of imprisonment or supervision by the  
11 state or county correctional system. Such costs shall be  
12 determined and certified by the prosecuting attorney and the  
13 imprisoning entity and subject to review by the Auditor  
14 General.

15           Section 119. Subsection (3) of section 944.719,  
16 Florida Statutes, is amended to read:

17           944.719 Adoption of rules, monitoring, and  
18 reporting.--

19           (3) The private vendor shall provide a work area at  
20 the private correctional facility for use by the contract  
21 monitor appointed by the department and shall provide the  
22 monitor with access to all data, reports, and other materials  
23 that the monitor, ~~and~~ the Auditor General, and the Office of  
24 Program Policy Analysis and Government Accountability  
25 determine are necessary to carry out monitoring and auditing  
26 responsibilities.

27           Section 120. Subsection (3) of section 944.802,  
28 Florida Statutes, is amended to read:

29           944.802 Direct-support organization; definition; use  
30 of property; board of directors; audit.--

31           (3) ANNUAL AUDIT.--The direct-support organization

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1 shall provide ~~make provision for an any annual financial audit~~  
2 ~~postaudit of its financial accounts to be conducted by an~~  
3 ~~independent certified public accountant in accordance with s.~~  
4 ~~215.98 rules to be promulgated by the Department of~~  
5 ~~Corrections. The annual audit report shall include a~~  
6 ~~management letter and shall be submitted to the Auditor~~  
7 ~~General and the Department of Corrections for review. The~~  
8 ~~Department of Corrections and the Auditor General have the~~  
9 ~~authority to require and receive from the organization or from~~  
10 ~~its independent auditor any detail or supplemental data~~  
11 ~~relative to the operation of the organization.~~

12 Section 121. Section 946.31, Florida Statutes, is  
13 amended to read:

14 946.31 Sources of fund.--If any general service  
15 operation of an institution is transferred to the work program  
16 operation by the Department of Corrections, all assets and  
17 liabilities of such operation shall become a part of the  
18 Correctional Work Program Trust Fund. All income, receipts,  
19 earnings, and profits from work programs operated by the  
20 department shall be credited to the Correctional Work Program  
21 Trust Fund, to be used for the purposes set forth; however, if  
22 the earned surplus in the fund at the end of any fiscal year  
23 exceeds \$5 million, one-half of such amount ~~as is determined~~  
24 ~~by the Auditor General to be~~ in excess of this amount shall be  
25 deposited in the General Revenue Fund, and the other half  
26 shall be used by the department for the expansion and  
27 improvement of inmate work programs.

28 Section 122. Subsection (3) of section 948.15, Florida  
29 Statutes, is amended to read:

30 948.15 Misdemeanor probation services.--

31 (3) Any private entity providing services for the

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1 supervision of misdemeanor probationers must contract with the  
2 county in which the services are to be rendered. In a county  
3 with a population of less than 70,000, the county court judge,  
4 or the administrative judge of the county court in a county  
5 that has more than one county court judge, must approve the  
6 contract. Terms of the contract must state, but are not  
7 limited to:

8 (a) The extent of the services to be rendered by the  
9 entity providing supervision or rehabilitation.

10 (b) Staff qualifications and criminal record checks of  
11 staff in accordance with essential standards established by  
12 the American Correctional Association as of January 1, 1991.

13 (c) Staffing levels.

14 (d) The number of face-to-face contacts with the  
15 offender.

16 (e) Procedures for handling the collection of all  
17 offender fees and restitution.

18 (f) Procedures for handling indigent offenders which  
19 ensure placement irrespective of ability to pay.

20 (g) Circumstances under which revocation of an  
21 offender's probation may be recommended.

22 (h) Reporting and recordkeeping requirements.

23 (i) Default and contract termination procedures.

24 (j) Procedures that aid offenders with job assistance.

25

26 In addition, the entity shall supply the chief judge's office  
27 with a quarterly report summarizing the number of offenders  
28 supervised by the private entity, payment of the required  
29 contribution under supervision or rehabilitation, and the  
30 number of offenders for whom supervision or rehabilitation  
31 will be terminated. All records of the entity must be open to



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1 inspection upon the request of the county, the court, the  
2 Auditor General, the Office of Program Policy Analysis and  
3 Government Accountability, or agents thereof.

4 Section 123. Section 957.07, Florida Statutes, is  
5 amended to read:

6 957.07 Cost-saving requirements.--The commission may  
7 not enter into a contract or series of contracts unless the  
8 commission determines that the contract or series of contracts  
9 in total for the facility will result in a cost savings to the  
10 state of at least 7 percent over the public provision of a  
11 similar facility. Such cost savings as determined by the  
12 commission must be based upon the actual costs associated with  
13 the construction and operation of similar facilities or  
14 services as determined by the Department of Corrections and  
15 ~~certified to the commission~~ by the Auditor General. ~~In~~  
16 ~~certifying the actual costs for the determination of the cost~~  
17 ~~savings required by this section,~~ The Department of  
18 Corrections Auditor General shall calculate all of the cost  
19 components that determine the inmate per diem in correctional  
20 facilities of a substantially similar size, type, and location  
21 that are operated by the department, including ~~all~~  
22 administrative costs associated with central administration.  
23 Services that are provided to the department by other  
24 governmental agencies at no direct cost to the department  
25 shall be assigned an equivalent cost and included in the per  
26 diem. Reasonable projections of payments of any kind to the  
27 state or any political subdivision thereof for which the  
28 private entity would be liable because of its status as  
29 private rather than a public entity, including, but not  
30 limited to, corporate income and sales tax payments, shall be  
31 included as cost savings in all such determinations. In

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1 addition, the costs associated with the appointment and  
2 activities of each contract monitor shall be included in such  
3 determination. In counties where the Department of Corrections  
4 pays its employees a competitive area differential, the cost  
5 for the public provision of a similar correctional facility  
6 may include the competitive area differential paid by the  
7 department. The Department of Corrections Auditor General  
8 shall provide a report detailing the state cost to design,  
9 finance, acquire, lease, construct, and operate a facility  
10 similar to the private correctional facility on a per diem  
11 basis. This report shall be provided to the Auditor General  
12 ~~commission~~ in sufficient time that it may be certified to the  
13 commission to be included in the request for proposals.

14 Section 124. Section 957.11, Florida Statutes, is  
15 amended to read:

16 957.11 Evaluation of costs and benefits of  
17 contracts.--The Office of Program Policy Analysis and  
18 Government Accountability Auditor General shall develop and  
19 implement an evaluation of the costs and benefits of each  
20 contract entered into under this chapter. This evaluation  
21 must include a comparison of the costs and benefits of  
22 constructing and operating prisons by the state versus by  
23 private contractors. The Office of Program Policy Analysis  
24 and Government Accountability Auditor General shall also  
25 evaluate the performance of the private contractor at the end  
26 of the term of each management contract and make  
27 recommendations to the Speaker of the House of Representatives  
28 and the President of the Senate on whether to continue the  
29 contract.

30 Section 125. Subsection (4) of section 960.002,  
31 Florida Statutes, is amended to read:

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1           960.002 Direct-support organization to assist victims  
2 of adult and juvenile crime.--

3           (4) The direct-support organization shall provide ~~make~~  
4 ~~provisions~~ for an annual financial ~~and compliance~~ audit of ~~its~~  
5 ~~financial accounts and records by an independent certified~~  
6 ~~public accountant~~ in accordance with s. 215.98 rules  
7 ~~established by the Governor. The annual audit report shall be~~  
8 ~~submitted to the Governor for review and approval. Upon~~  
9 ~~approval, the Governor shall certify the audit report to the~~  
10 ~~Auditor General for review and approval.~~

11           Section 126. Paragraph (a) of subsection (1) of  
12 section 985.311, Florida Statutes, is amended to read:

13           985.311 Intensive residential treatment program for  
14 offenders less than 13 years of age.--

15           (1) ASSESSMENT AND TREATMENT SERVICES.--Pursuant to  
16 the provisions of this chapter and the establishment of  
17 appropriate program guidelines and standards, contractual  
18 instruments, which shall include safeguards of all  
19 constitutional rights, shall be developed for intensive  
20 residential treatment programs for offenders less than 13  
21 years of age as follows:

22           (a) The department shall provide for:

23           1. The oversight of implementation of assessment and  
24 treatment approaches.

25           2. The identification and prequalification of  
26 appropriate individuals or not-for-profit organizations,  
27 including minority individuals or organizations when possible,  
28 to provide assessment and treatment services to intensive  
29 offenders less than 13 years of age.

30           3. The monitoring and evaluation of assessment and  
31 treatment services for compliance with the provisions of this

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1 chapter and all applicable rules and guidelines pursuant  
2 thereto.

3 4. The development of an annual report on the  
4 performance of assessment and treatment to be presented to the  
5 Governor, the Attorney General, the President of the Senate,  
6 the Speaker of the House of Representatives, ~~and~~ the Auditor  
7 General, and the Office of Program Policy Analysis and  
8 Government Accountability no later than January 1 of each  
9 year.

10 Section 127. Subsection (6) of section 985.4145,  
11 Florida Statutes, is amended to read:

12 985.4145 Direct-support organization; definition; use  
13 of property; board of directors; audit.--

14 (6) The direct-support organization shall provide for  
15 an annual financial audit ~~and compliance postaudit of its~~  
16 ~~financial accounts and records by an independent certified~~  
17 ~~public accountant~~ in accordance with s. 215.98 ~~rules of the~~  
18 ~~Auditor General. The annual audit report must include a~~  
19 ~~management letter and must be submitted to the Auditor General~~  
20 ~~and the department for review. The department and the Auditor~~  
21 ~~General may require and receive from the direct-support~~  
22 ~~organization, or from its independent auditor, any detail or~~  
23 ~~supplemental data relative to the operation of the~~  
24 ~~organization.~~

25 Section 128. Subsection (3) of section 985.416,  
26 Florida Statutes, is amended to read:

27 985.416 Innovation zones.--The department shall  
28 encourage each of the juvenile justice circuit boards to  
29 propose at least one innovation zone within the circuit for  
30 the purpose of implementing any experimental, pilot, or  
31 demonstration project that furthers the legislatively

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1 established goals of the department. An innovation zone is a  
2 defined geographic area such as a circuit, commitment region,  
3 county, municipality, service delivery area, school campus, or  
4 neighborhood providing a laboratory for the research,  
5 development, and testing of the applicability and efficacy of  
6 model programs, policy options, and new technologies for the  
7 department.

8 (3) Before implementing an innovation zone under this  
9 subsection, the secretary shall, in conjunction with the  
10 Office of Program Policy Analysis and Government  
11 Accountability Auditor General, develop measurable and valid  
12 objectives for such zone within a negotiated reasonable period  
13 of time. Moneys designated for an innovation zone in one  
14 operating circuit may not be used to fund an innovation zone  
15 in another operating circuit.

16 Section 129. Sections 11.149 and 11.46; paragraph (e)  
17 of subsection (2) of section 125.901; paragraph (1) of  
18 subsection (2) of section 215.56005; section 216.2815;  
19 subsection (23) of section 218.415; subsection (11) of section  
20 228.053; subsection (6) of section 228.082; subsection (3) of  
21 section 253.037; section 265.607; subsection (2) of section  
22 288.906; sections 288.9616 and 298.65; subsection (3) of  
23 section 331.419; sections 339.413, 348.69, and 373.589;  
24 subsection (3) of section 374.987; subsection (8) of section  
25 380.510; sections 388.331 and 400.335; subsection (14) of  
26 section 403.1837; paragraph (i) of subsection (14) of section  
27 440.49; subsection (14) of section 517.1204; and sections  
28 570.912, 581.195, 589.013, and 590.612, Florida Statutes, are  
29 repealed.

30 Section 130. Subsection (2) of section 189.4042,  
31 Florida Statutes, is amended to read:

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1           189.4042 Merger and dissolution procedures.--  
2           (2) The merger or dissolution of an independent  
3 special district or a dependent district created and operating  
4 pursuant to a special act may only be effectuated by the  
5 Legislature unless otherwise provided by general law. If an  
6 inactive independent district was created by a county or  
7 municipality through a referendum, the county or municipality  
8 that created the district may ~~merge or~~ dissolve the district  
9 after publishing notice as described in s. 189.4044. If an  
10 independent district was created by a county or municipality  
11 by referendum or any other procedure, the county or  
12 municipality that created the district may merge or dissolve  
13 the district pursuant to the same procedure by which the  
14 independent district was created. ~~7~~ However, for any ~~such~~  
15 independent district that has ad valorem taxation powers, the  
16 same procedure required to grant such independent district ad  
17 valorem taxation powers shall also be required to dissolve or  
18 merge the district.

19           Section 131. Paragraph (b) of subsection (1) of  
20 section 189.4044, Florida Statutes, is amended to read:

21           189.4044 Special procedures for inactive districts.--

22           (1) The department shall declare inactive any special  
23 district in this state by filing a report with the Speaker of  
24 the House of Representatives and the President of the Senate  
25 which shows that such special district is no longer active.  
26 The inactive status of the special district must be based upon  
27 a finding:

28           (b) That a notice of the proposed declaration has been  
29 published once a week for 2 ~~4~~ weeks in a newspaper of general  
30 circulation within the county or municipality wherein the  
31 territory of the special district is located, stating the name

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1 of said special district, the law under which it was organized  
2 and operating, a general description of the territory included  
3 in said special district, and stating that any objections to  
4 the proposed declaration or to any claims against the assets  
5 of said special district shall be filed not later than 60 days  
6 following the date of last publication with the department;  
7 and

8 Section 132. Section 189.418, Florida Statutes, is  
9 amended to read:

10 189.418 Reports; budgets; audits.--

11 (1) When a new special district is created, the  
12 district must forward to the department, within 30 days after  
13 the adoption of the special act, rule, ordinance, resolution,  
14 or other document that provides for the creation of the  
15 district, a copy of the document. In addition to the document  
16 or documents that create the district, the district must also  
17 submit a map of the district, showing any municipal boundaries  
18 that cross the district's boundaries, and any county lines if  
19 the district is located in more than one county. The  
20 department must notify the local government or other entity  
21 and the district within 30 days after receipt of the document  
22 or documents that create the district as to whether the  
23 district has been determined to be dependent or independent.

24 (2) Any amendment, modification, or update of the  
25 document by which the district was created, including changes  
26 in boundaries, must be filed with the department within 30  
27 days after adoption. The department may initiate proceedings  
28 against special districts as provided in ss. 189.421 and  
29 189.422 for failure to file the information required by this  
30 subsection.

31 (3) The governing body of each special district shall

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1 adopt a budget by resolution each fiscal year. The total  
2 amount available from taxation and other sources, including  
3 amounts carried over from prior fiscal years, must equal the  
4 total of appropriations for expenditures and reserves. The  
5 adopted budget must regulate expenditures of the special  
6 district, and it is unlawful for any officer of a special  
7 district to expend or contract for expenditures in any fiscal  
8 year except in pursuance of budgeted appropriations.

9 (4) The proposed budget of a dependent special  
10 district shall be presented in accordance with generally  
11 accepted accounting principles, contained within the general  
12 budget of the local governing authority, and be clearly stated  
13 as the budget of the dependent district. However, with the  
14 concurrence of the local governing authority, a dependent  
15 district may be budgeted separately.

16 (5) A local governing authority may, in its  
17 discretion, review the budget or tax levy of any special  
18 district located solely within its boundaries.

19 ~~(3) Each special district shall file with the local~~  
20 ~~general purpose governing authority or authorities within the~~  
21 ~~geographic boundaries of the district a copy of:~~

22 ~~(a) The reports required by ss. 218.32 and 218.34;~~

23 ~~(b) A complete description of all new bonds as~~  
24 ~~provided in s. 218.38(1); and~~

25 ~~(c) A map of the district and any subsequent boundary~~  
26 ~~changes.~~

27 ~~(4) Each special district shall make provisions for an~~  
28 ~~annual independent postaudit of its financial records as~~  
29 ~~provided in s. 11.45. A copy of the audit shall be filed with~~  
30 ~~the local governing authority or authorities.~~

31 ~~(6)(5) All reports or information required to be filed~~



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1 with a local governing authority under ss. ~~11.45~~, 189.416,  
2 189.417, 218.32, and 218.39 ~~218.34~~ and this section shall:

3 (a) When the local governing authority is a county, be  
4 filed with the clerk of the board of county commissioners.

5 (b) When the district is a multicounty district, be  
6 filed with the clerk of the county commission in each county.

7 (c) When the local governing authority is a  
8 municipality, be filed at the place designated by the  
9 municipal governing body.

10 Section 133. Section 189.419, Florida Statutes, is  
11 amended to read:

12 189.419 Effect of failure to file certain reports or  
13 information.--

14 (1) If a special district fails to file the reports or  
15 information required under ~~s. 11.45~~ s. 189.415, s. 189.416, s.  
16 189.417, s. 189.418, s. 218.32, or s. 218.39 ~~s. 218.34~~ and a  
17 description of all new bonds as provided in s. 218.38(1) with  
18 the local governing authority, the person authorized to  
19 receive and read the reports or information shall notify the  
20 district's registered agent and the appropriate local  
21 governing authority or authorities. At any time, the governing  
22 authority may grant an extension of time for filing the  
23 required reports or information, except that an extension may  
24 not exceed 30 days.

25 (2) If at any time the local governing authority or  
26 authorities or the board of county commissioners determines  
27 that there has been an unjustified failure to file the reports  
28 or information described in subsection (1), it may petition  
29 the department to initiate proceedings against the special  
30 district in the manner provided in s. 189.421.

31 (3) If a special district fails to file the reports or

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1 information required under ~~s. 11.45, s. 218.32, s. 218.34, or~~  
2 s. 218.38, or s. 218.39 with the appropriate state agency, the  
3 agency shall notify the department, and the department may  
4 initiate proceedings against the special district in the  
5 manner provided in s. 189.421 or assess fines of not more than  
6 \$25, with an aggregate total not to exceed \$50, when formal  
7 inquiries do not resolve the noncompliance.

8 Section 134. Section 189.429, Florida Statutes, is  
9 amended to read:

10 189.429 Codification.--

11 (1) Each district, by December 1, 2004, shall submit  
12 to the Legislature a draft codified charter, at its expense,  
13 so that its special acts may be codified into a single act for  
14 reenactment by the Legislature, if there is more than one  
15 special act for the district. The Legislature may adopt a  
16 schedule for individual district codification. Any codified  
17 act relating to a district, which act is submitted to the  
18 Legislature for reenactment, shall provide for the repeal of  
19 all prior special acts of the Legislature relating to the  
20 district. The codified act shall be filed with the department  
21 pursuant to s. 189.418(2).

22 (2) The reenactment of existing law under this section  
23 shall not be construed as a grant of additional authority nor  
24 to supersede the authority of any entity pursuant to law.  
25 Exceptions to law contained in any special act that are  
26 reenacted pursuant to this section shall continue to apply.

27 (3) The reenactment of existing law under this section  
28 shall not be construed to modify, amend, or alter any  
29 covenants, contracts, or other obligations of any district  
30 with respect to bonded indebtedness. Nothing pertaining to  
31 the reenactment of existing law under this section shall be

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1 construed to affect the ability of any district to levy and  
2 collect taxes, assessments, fees, or charges for the purpose  
3 of redeeming or servicing bonded indebtedness of the district.

4 Section 135. Section 218.34, Florida Statutes, is  
5 repealed.

6  
7  
8 ===== T I T L E A M E N D M E N T =====

9 And the title is amended as follows:

10 On page 1, lines 2 and 3,  
11 remove from the title of the bill: all of said lines,  
12  
13 and insert in lieu thereof:

14 An act relating to government programs and  
15 accountability; amending s. 11.40, F.S.;  
16 authorizing the Legislative Auditing Committee  
17 to direct the Auditor General and the Office of  
18 Program Policy Analysis and Government  
19 Accountability to conduct audits, reviews, and  
20 examinations of certain entities; authorizing  
21 the Legislative Auditing Committee to conduct  
22 investigations; authorizing the Legislative  
23 Auditing Committee to hold hearings; amending  
24 s. 11.42, F.S.; revising the requirements to  
25 become Auditor General; transferring report  
26 requirement; revising the employment  
27 restrictions for employees of the Auditor  
28 General; exempting the Auditor General from  
29 certain provisions; amending s. 11.45, F.S.;  
30 revising definitions; providing for duties of  
31 the Auditor General; transferring certain

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1 district school board authority; transferring  
2 the requirement that a charter school provide  
3 for an annual financial audit; transferring the  
4 requirement that certain district school boards  
5 have certain financial audits; providing for  
6 authority of the Auditor General; providing for  
7 scheduling and staffing of audits conducted by  
8 the Auditor General; requiring the Legislative  
9 Auditing Committee to direct an audit of a  
10 municipality by the Auditor General under  
11 certain circumstances; authorizing a local  
12 governmental entity to request an audit by the  
13 Auditor General; transferring the requirement  
14 that the Office of Program Policy Analysis and  
15 Government Accountability maintain a schedule  
16 of performance audits; deleting the requirement  
17 that the Office of Program Policy Analysis and  
18 Government Accountability identify and comment  
19 upon certain alternatives in conducting a  
20 performance audit; transferring a report  
21 distribution requirement; transferring the  
22 annual financial auditing provisions related to  
23 local governmental entities; transferring the  
24 auditor selection procedures for local  
25 governmental entities, district school boards,  
26 and charter schools; transferring the penalty  
27 provisions for failure to file an annual  
28 financial audit; providing for Auditor General  
29 reporting requirements; transferring the  
30 penalty provisions for failure by a local  
31 governmental entity to pay for the cost of an

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1           audit by the Auditor General; transferring the  
2           Legislative Auditing Committee's authority to  
3           conduct investigations; deleting the content  
4           required within an audit report issued by the  
5           Auditor General; deleting the requirement that  
6           an agency head must file a report; deleting a  
7           report issued by the Auditor General and the  
8           Office of Program Policy Analysis and  
9           Government Accountability; transferring the  
10          authority for district school boards and  
11          district boards of trustees of community  
12          colleges for performance audits and financial  
13          audits; amending s. 11.47, F.S.; requiring  
14          certain officers to provide the Office of  
15          Program Policy Analysis and Government  
16          Accountability with information; requiring the  
17          staff of the Office of Program Policy Analysis  
18          and Government Accountability to make proper  
19          examinations; providing criminal penalties for  
20          false reports; providing penalties for persons  
21          who fail to provide the Office of Program  
22          Policy Analysis and Government Accountability  
23          with records; amending s. 11.51, F.S. ;  
24          redefining the duties of the office;  
25          eliminating the provision requiring the Auditor  
26          General to provide administrative support for  
27          the office; requiring the office to maintain a  
28          schedule of examinations; providing authority  
29          to the office to examine certain programs;  
30          requiring the office to deliver preliminary  
31          findings; providing deadlines for responses to

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1 preliminary findings; requiring the office to  
2 conduct followup reports; amending s. 11.511,  
3 F.S.; redefining the duties of the director of  
4 the Office of Program Policy Analysis and  
5 Government Accountability; revising employment  
6 restrictions for the office staff; providing  
7 for postponement of examinations; amending s.  
8 11.513, F.S.; correcting cross references;  
9 transferring the authority of the Legislative  
10 Auditing Committee; transferring and rewording  
11 the authority of the director of the Office of  
12 Program Policy Analysis and Government  
13 Accountability to postpone projects; amending  
14 ss. 14.29, 20.2551, 288.1226, 320.08058, and  
15 943.2569, F.S.; providing for audits of  
16 programs; amending s. 20.055, F.S.;  
17 transferring the review of state agencies'  
18 internal audit reports conducted by the Auditor  
19 General; providing responsibilities to  
20 agencies' inspectors general; amending ss.  
21 24.105, 39.202, 119.07, 195.084, 213.053,  
22 944.719, and 948.15, F.S.; providing authority  
23 to the Office of Program Policy Analysis and  
24 Government Accountability to access  
25 confidential records; amending s. 24.120, F.S.;  
26 requiring the Department of the Lottery to  
27 provide access to the facilities of the  
28 department to the Office of Program Policy  
29 Analysis and Government Accountability;  
30 amending s. 27.3455, F.S.; deleting a reporting  
31 requirement; correcting cross references;

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1 amending ss. 30.51, 116.07, 122.03, 122.08,  
2 145.022, 145.14, 154.331, 206.60, 212.08,  
3 290.0056, 403.864, 657.008, and 946.31, F.S.;  
4 deleting obsolete provisions; amending ss.  
5 110.109, 216.177, 216.178, 216.292, 334.0445,  
6 and 985.311, F.S.; designating the Office of  
7 Program Policy Analysis and Government  
8 Accountability as a recipient of information;  
9 amending s. 112.313, F.S.; expanding the  
10 definition of employees subject to  
11 postemployment restrictions to include the  
12 director of the Office of Program Policy  
13 Analysis and Government Accountability;  
14 amending s. 112.324, F.S.; expanding the list  
15 of persons subject to consequences regarding a  
16 breach of public trust to include the director  
17 and staff of the Office of Program Policy  
18 Analysis and Government Accountability;  
19 amending ss. 112.63, 175.261, 185.221,  
20 189.4035, 189.412, 189.418, 189.419, 215.94,  
21 230.23025, and 311.07, F.S.; correcting cross  
22 references; amending s. 125.01, F.S.; deleting  
23 a requirement that the Auditor General retain  
24 county audit reports for a specific period of  
25 time; amending ss. 154.11, 253.025, and  
26 259.041, F.S.; revising provisions related to  
27 the Auditor General; amending s. 163.356, F.S.;  
28 deleting the Auditor General from the list of  
29 entities receiving a report from a community  
30 redevelopment agency; amending s. 189.428,  
31 F.S.; revising the criteria to be utilized by a

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1 local government conducting an oversight review  
2 of a special district; amending ss. 193.074 and  
3 196.101, F.S.; requiring the Office of Program  
4 Policy Analysis and Government Accountability  
5 to maintain confidentiality of records;  
6 amending ss. 195.096, 228.056, 228.505, 455.32,  
7 and 471.038, F.S.; revising provisions related  
8 to certain audits; amending s. 215.44, F.S.;  
9 deleting the requirement that the Auditor  
10 General annually audit the State Board of  
11 Administration; revising provisions related to  
12 an examination by the Office of Program Policy  
13 Analysis and Government Accountability;  
14 creating s. 215.86, F.S.; providing for  
15 management systems and controls for state  
16 agencies; creating s. 215.98, F.S.; providing  
17 for audits of direct-support organizations and  
18 citizen support organizations; amending ss.  
19 229.8021, 237.40, 240.299, 240.2995, 240.331,  
20 240.3315, 240.5285, 240.711, 250.115, 266.0018,  
21 267.17, 288.1229, 288.809, 372.0215, 413.615,  
22 413.87, 446.609, 944.802, 960.002, and  
23 985.4145, F.S.; providing for audits of  
24 direct-support organizations and citizen  
25 support organizations; amending s. 218.31,  
26 F.S.; providing additional definitions;  
27 amending s. 218.32, F.S.; providing that  
28 certain entities file an audit report with the  
29 Department of Banking and Finance; correcting a  
30 cross reference; providing for the Department  
31 of Banking and Finance to prescribe the format



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1 of local governmental entities that are  
2 required to provide for certain audits;  
3 transferring the penalty provisions relating to  
4 failure of a local governmental entity to file  
5 an annual financial report with the Department  
6 of Banking and Finance; amending s. 218.33,  
7 F.S.; revising provisions related to the  
8 establishment of uniform accounting practices  
9 and procedures; amending s. 218.38, F.S.;  
10 transferring penalty provisions for failure to  
11 verify or provide information to the Division  
12 of Bond Finance within the State Board of  
13 Administration; creating s. 218.39, F.S.;  
14 providing for audits of local governmental  
15 entities, district school boards, charter  
16 schools, and charter technical career centers;  
17 providing for the format of county audits;  
18 authorizing dependent special districts to be  
19 included within the audit of a county or  
20 municipality; prohibiting an independent  
21 special district from being included within the  
22 audit of a county or municipality; providing  
23 for a management letter within each audit  
24 report; providing for discussion of the  
25 auditor's findings and recommendations;  
26 providing for a response to the auditor's  
27 findings and recommendations; requiring that a  
28 predecessor auditor of a district school board  
29 provide the Auditor General with access to the  
30 prior year's working papers; requiring certain  
31 audits to be conducted in accordance with rules

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1           adopted by the Auditor General; creating s.  
2           218.391, F.S.; providing for auditor selection  
3           procedures; amending s. 218.415, F.S.;  
4           correcting a cross reference; transferring  
5           responsibilities of the Auditor General;  
6           transferring penalty provisions; amending s.  
7           228.093, F.S.; providing authority to the  
8           Office of Program Policy Analysis and  
9           Government Accountability to access records;  
10          requiring the Office of Program Policy Analysis  
11          and Government Accountability to maintain  
12          confidentiality of records; requiring the  
13          office to destroy personally identifiable data  
14          under certain circumstances; amending s.  
15          230.23, F.S.; authorizing school boards to  
16          employ an internal auditor; authorizing school  
17          boards to hire independent certified public  
18          accountants; amending s. 240.214, F.S.;  
19          clarifying that accountability reports are to  
20          be designed in consultation with the Office of  
21          Program Policy Analysis and Government  
22          Accountability; amending s. 240.311, F.S.;  
23          providing authority to the Office of Program  
24          Policy Analysis and Government Accountability  
25          to require and receive supplemental data;  
26          creating s. 240.3631, F.S.; authorizing  
27          district boards of trustees of community  
28          colleges to hire an independent certified  
29          public accountant to conduct audits; amending  
30          s. 240.512, F.S.; providing authority to the  
31          Office of Program Policy Analysis and

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1 Government Accountability to require and  
2 receive supplemental data; providing authority  
3 to the Office of Program Policy Analysis and  
4 Government Accountability to access  
5 confidential records; requiring the office to  
6 maintain confidentiality; amending s. 240.551,  
7 F.S.; providing for audits of direct-support  
8 organizations; deleting a paragraph which  
9 provides for audits of direct-support  
10 organizations; amending ss. 240.609, 288.9517,  
11 296.17, 296.41, 403.1826, 550.125, 601.15, and  
12 744.708, F.S.; providing authority to the  
13 Office of Program Policy Analysis and  
14 Government Accountability to examine programs;  
15 amending s. 290.015, F.S.; providing  
16 responsibilities to the Office of Program  
17 Policy Analysis and Government Accountability  
18 regarding the Florida Enterprise Zone Act of  
19 1994; amending ss. 320.023, 320.08062, and  
20 322.081, F.S.; deleting provisions related to  
21 audits of certain organizations; requiring  
22 annual attestations of certain organizations;  
23 transferring the Auditor General's authority to  
24 conduct audits; amending s. 339.406, F.S.;  
25 revising provisions related to audits of  
26 transportation corporations; providing the  
27 Department of Transportation and the Auditor  
28 General with the authority to conduct audits of  
29 transportation corporations; amending s.  
30 365.171, F.S.; revising the provision related  
31 to auditing the 911 fees; correcting a cross

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1 reference; amending s. 373.45926, F.S.;

2 replacing certain terms; amending s. 373.507,

3 F.S.; deleting an obsolete provision;

4 correcting a cross reference; providing for the

5 distribution of audits of water management

6 districts; amending ss. 402.73, 411.01, and

7 413.88, F.S.; deleting provisions related to an

8 audit by the Auditor General; amending s.

9 403.8532, F.S.; replacing certain terms;

10 amending s. 411.221, F.S.; adding reports

11 issued by the Office of Program Policy Analysis

12 and Government Accountability to the

13 information considered in strategic plan

14 revisions; amending s. 570.903, F.S.;

15 transferring the authority for certain

16 direct-support organizations to conduct

17 business; providing for audits of

18 direct-support organizations; amending s.

19 616.263, F.S.; providing the Auditor General

20 with the authority to conduct audits; amending

21 s. 943.25, F.S.; providing for the conduct of

22 audits of the criminal justice trust fund;

23 amending s. 944.512, F.S.; providing that

24 certain costs are to be certified by a

25 prosecuting attorney and an imprisoning entity

26 and subject to review by the Auditor General;

27 amending s. 957.07, F.S.; providing

28 responsibilities for the Department of

29 Corrections and the Auditor General; amending

30 ss. 957.11 and 985.416, F.S.; transferring

31 duties from the Auditor General to the Office

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1 of Program Policy Analysis and Government  
2 Accountability; repealing s. 11.149, F.S.,  
3 relating to nonapplication of certain  
4 provisions to the Legislative Auditing  
5 Committee or the Auditor General; repealing s.  
6 11.46, F.S., relating to accounting procedures;  
7 repealing s. 125.901(2)(e), F.S., relating to  
8 audits of independent special districts related  
9 to children's services; repealing ss.  
10 215.56005(2)(1), 216.2815, 228.053(11),  
11 228.082(6), 253.037(3), 288.906(2), 288.9616,  
12 298.65, 348.69, 374.987(3), 380.510(8),  
13 400.335, 403.1837(14), 440.49(14)(i), and  
14 517.1204(14), F.S., relating to authority of  
15 the Auditor General to conduct audits;  
16 repealing s. 218.415(23), F.S., relating to  
17 local government investments; repealing s.  
18 265.607, F.S., relating to audits of local  
19 cultural sponsoring organizations; repealing s.  
20 331.419(3), F.S.; deleting obsolete provisions;  
21 repealing s. 339.413, F.S., relating to audits  
22 of transportation corporations; repealing s.  
23 373.589, F.S., relating to audits of water  
24 management districts; repealing s. 388.331,  
25 F.S., relating to audits of mosquito control  
26 districts and mosquito control programs;  
27 repealing ss. 570.912, 581.195, 589.013, and  
28 590.612, F.S., relating to direct support  
29 organizations within the Department of  
30 Agriculture; amending s. 189.4042, F.S.;  
31 providing that an inactive independent special

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1 district that was created by a county or  
2 municipality through a referendum may be  
3 dissolved by the county or municipality after  
4 publication of notice as required for the  
5 declaration of the inactive status of a special  
6 district; amending s. 189.4044, F.S.; reducing  
7 the number of weeks such notice of declaration  
8 of inactive status must be published; amending  
9 s. 189.418, F.S.; providing that a dependent  
10 special district may only be budgeted  
11 separately with concurrence of the local  
12 governing authority upon which said dependent  
13 special district is dependent; deleting a  
14 requirement that the proposed budget of an  
15 independent special district located in one  
16 county be filed with the county; deleting  
17 requirements for each special district to file  
18 certain reports, information, and audits with  
19 the local governing authority; amending s.  
20 189.419, F.S., to conform; amending s. 189.429,  
21 F.S.; providing the effect of the reenactment  
22 of existing law pursuant to the required  
23 codification of a special district charter;  
24 repealing s. 218.34, F.S.; amending s. 11.066,

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