

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 995 CS Agency Inspectors General
SPONSOR(S): Bean
TIED BILLS: **IDEN./SIM. BILLS:** SB 1632

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Governmental Operations Committee</u>	<u>6 Y, 0 N</u>	<u>Brown</u>	<u>Williamson</u>
2) <u>Fiscal Council</u>	<u>17 Y, 1 N</u>	<u>Dobbs</u>	<u>Kelly</u>
3) <u>State Administration Council</u>	<u>9 Y, 0 N, w/CS</u>	<u>Brown</u>	<u>Bussey</u>
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The bill creates a Council on State Agency Inspectors General in the Office of Chief Inspector General within the Executive Office of the Governor. The Council consists of the Chief Inspector General and four other Inspectors General appointed by the Governor.

The Council is tasked with reviewing the agency inspector general process as it affects private contractors. The council shall recommend potential statutory changes necessary to create a review process. The process must allow private contractors a meaningful opportunity to respond to agency reports and must develop a hearing process to allow for an independent review by the Chief Inspector General's office.

The recommendations must be submitted in a final report on or before January 1, 2007.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The bill creates the Council on State Agency Inspectors General in the Office of Chief Inspector General within the Executive Office of the Governor.

B. EFFECT OF PROPOSED CHANGES:

Agency Inspectors General

Current law establishes an Office of Inspector General in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government.¹ Each inspector general, in carrying out his or her auditing duties and responsibilities, must review and evaluate internal controls necessary to ensure the fiscal accountability of the agency; conduct financial, compliance, electronic data processing, and performance audits of the agency; and prepare audit reports of his or her findings.² In carrying out his or her investigative duties and responsibilities, the inspector general must initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses.³ Agency investigations may involve processes and procedures of an agency, or may involve the actions of specific employees, vendors, or other individuals or entities.

Proposed Changes

The bill creates a Council on State Agency Inspectors General in the Office of Chief Inspector General within the Executive Office of the Governor. The Council consists of the Chief Inspector General and four other Inspectors General appointed by the Governor.

The Council is tasked with developing recommendations relating to the creation of an independent review process for state agency inspector general investigations and audits. At a minimum, these recommendations must:

- Offer entities contracting with state agencies a meaningful opportunity to challenge in writing the findings, conclusions, and recommendations contained in a state agency inspector general's final report,
- Specifically identify the entities entitled to submit a response, and identify the circumstances under which the entity's response must be attached to the state agency inspector general's final report,
- Include a hearing process entitling entities contracting with state agencies with an opportunity to present to the Chief Inspector General any additional material relevant to the state agency inspector general's final report.
- Identify ancillary issues to be addressed, including but not limited to public records concerns, special conditions for whistle-blower's investigations, and exemptions for specific categories of audits or investigations.

The Council must finalize its recommendations related to these issues and report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, before January 1, 2007. The legislation repeals on July 1, 2007.

C. SECTION DIRECTORY:

¹ Section 20.055(2), F.S.

² Section 20.055(5), F.S.

³ Section 20.055(6), F.S.

Section 1 creates s. 14.325, F.S., creates the Council on State Agency Inspectors General in the Office of Chief Inspector General within the Executive Office of the Governor, provides duties for the Council, and provides for its repeal on June 30, 2007.

Section 2 provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill does not create, modify, amend, or eliminate a state revenue source.

2. Expenditures:

The bill does not create, modify, amend, or eliminate a state expenditure.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill does not create, modify, amend, or eliminate a local revenue source.

2. Expenditures:

The bill does not create, modify, amend, or eliminate a local expenditure.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On April 21, 2006, the State Administration Council favorably adopted a substitute amendment. The amendment created the Council on State Agency Inspectors General. The Council is created to review and recommend statutory changes necessary to create a review process for the state agency inspectors general process and how it affects private contractors.