

**The Florida Senate**  
**PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Governmental Operations Committee

BILL: CS/SB 2078

INTRODUCER: Governmental Operations Committee and Senator Bennett

SUBJECT: Inspectors General

DATE: April 24, 2007

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wilson	Wilson	GO	Fav/CS
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill substantially revises the investigative procedures used by agency inspectors general and permits nongovernmental organizations providing contractual services to have an opportunity to present rebuttal arguments to adverse findings issued by such inspectors. The bill provides limitations on such procedural due process when matters affected criminal investigations or Whistleblower Act complaints.

This bill substantially amends section 20.55, Florida Statutes.

**II. Present Situation:**

Section 20.55, F.S., specifically authorizes the creation of state agency inspectors general and a Chief Inspector General in the Executive Office of the Governor. The inspector general process, such like internal audit, provides an agency-specific expectation of quality and integrity on the discharge of public programs whether delivered directly by public employees or indirectly through contract vendors.

A professional association of such officials, the Association of Inspectors General, issues standards and recommended guidelines on the conduct of investigations and the qualifications of staff members.

Section 20.55, F.S., outlines the procedural steps in the investigative process and specifies the types of credentials that participating staff members should possess.

Virtually all state agencies house an inspector general function although they are most commonly executive branch entities. Because of the federated nature of the Florida state executive branch a number of inspectors general report to the Governor directly (18), some to the Governor and Cabinet as collegial agency head (5), and one to the Legislative Branch. The Judicial Branch does not have an inspector general. In its annual statement of activities, the Chief Inspector General reported more than four hundred audits and in excess of 6000 investigations. These resulted in the recoupment of almost \$600,000 and the imposition of 1200 disciplinary actions.

### III. Effect of Proposed Changes:

**Section 1.** Four new definitions are added to s. 20.55, F.S.: “entities contracting with the state;” “individuals substantially affected;” “additional material relevant;” and “original investigation.” An amended definition of “agency head” disclaims the application of that term to heads of private for-profit or not-for-profit entities. The new terms alter the arrangement under which the current inspector general statute operates to provide for the receipt of comments and relevant materials by these parties when they are affected by the contents of an inspector general review.

Each inspector general is directed to adopt the “Principles and Standards” of the Association of Inspectors General.<sup>1</sup> These principles cover the following items: quality standards for offices; investigations; inspections, evaluations, and reviews; and audits.

The bill requires notification of both the agency head and the Chief Inspector General when an agency inspector general is removed from office. It precludes both the agency head and agency staff from preventing or prohibiting any official act of the agency inspector general.

The bill alters the name of the professional standards recognized for the purposes of audits.

The bill provides a twenty-day review and comment period during which a singular entity contracting with the state shall be permitted to respond to an inspector general’s findings. That response and its rebuttal shall be included in the final report. At the conclusion of an investigation an inspector general shall submit findings and receive comments from the subject of the investigation consistent with public records statutes contained in ch. 119, F.S.

The bill adopts new standards for the Chief Inspector General in the Executive Office of the Governor:

- The development of policies for the review of agency inspector general investigative reports identifying the circumstances and parties substantially affected by the findings and recommendations;
- Permitting the independent investigation by the Chief Inspector General of any agency investigation.;
- Identifying special conditions and circumstances for the review process as it affected complaints made under the Whistleblower Act, ss. 112.3187-112.31895, F.S.;

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<sup>1</sup> Located at [www.inspectorsgeneral.org/docs/IGStandards.pdf](http://www.inspectorsgeneral.org/docs/IGStandards.pdf)

- Conformance of the policies with recommendations made by state agency inspectors general issued December 19, 2006.
- Providing for the recovery of up to \$50,000 in reasonable legal fees and costs by entities contracting with the state if the chief inspector general determines that the findings, conclusions, and recommendations of an agency inspector general report of investigation are not substantially justified.

**Section 2.** The bill is effective July 1, 2007.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Executive Office of the Governor advises that this bill has no determinable fiscal impact although there may be some increase in workload.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The word “audit” is a very specific term describing the disciplines associated with the examination and verification of financial records conducted by a professional accountant, customarily a certified public accountant, trained in such matters. In the current and amended statute the term is used expansively to describe multiple processes which may include less formal

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“reviews” as well as investigations and audits. While an audit embraces multiple review processes, a review or an investigation is not necessarily an audit.

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This Senate Professional Staff Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.

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## **VIII. Summary of Amendments:**

None.

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