

1 Commission, the Public Service Commission, and the state
2 courts system.

3 (b) "Agency head" means the Governor, a Cabinet
4 officer, a secretary as defined in s. 20.03(5), or an
5 executive director as defined in s. 20.03(6). It also includes
6 the chair of the Public Service Commission, the Director of
7 the Office of Insurance Regulation of the Financial Services
8 Commission, the Director of the Office of Financial Regulation
9 of the Financial Services Commission, and the Chief Justice of
10 the State Supreme Court.

11 (c) "Entities contracting with the state" means
12 organizations or businesses having a legal existence, such as
13 corporations or partnerships, as opposed to natural persons,
14 that have entered into a relationship with a state agency as
15 defined in paragraph (a) to provide for consideration certain
16 goods or services to the state agency or on behalf of the
17 state agency. The relationship may be evidenced by payment by
18 warrant or purchasing card, contract, purchase order, provider
19 agreement, or other such mutually agreed upon relationship.

20 (d) "Individuals substantially affected" means natural
21 persons who have established a real and sufficiently immediate
22 injury in fact due to the findings, conclusions, or
23 recommendations of a final report of a state agency inspector
24 general and who do not have or are not currently afforded an
25 existing right to an independent review process. Employees of
26 the state, including career service, probationary, other
27 personal service, Selected Exempt Service, and Senior
28 Management Service employees, are not covered by this
29 definition.

30 (e) "Additional material relevant" means evidence
31 submitted to the state agency inspector general prior to

1 release of the final report that likely would have affected
2 the investigative findings. Such evidence is not merely
3 cumulative of evidence considered by the state agency
4 inspector general and, to be relevant, must tend to prove or
5 disprove the matters at issue in the investigation. Newly
6 discovered evidence may be considered if it was discovered
7 subsequent to the agency inspector general's final report and
8 the agency inspector general has affirmatively refused to
9 reopen the investigation despite such evidence. Such evidence
10 shall not have been withheld from the state agency inspector
11 general during the original investigation.

12 (f) "Original investigation" means an official
13 investigative review by a state agency inspector general of
14 information relative to suspected violations of any law, rule,
15 or agency policy resulting in written findings.

16 (2) The Office of Inspector General is hereby
17 established in each state agency to provide a central point
18 for coordination of and responsibility for activities that
19 promote accountability, integrity, and efficiency in
20 government. It shall be the duty and responsibility of each
21 inspector general, with respect to the state agency in which
22 the office is established, to:

23 (a) Advise in the development of performance measures,
24 standards, and procedures for the evaluation of state agency
25 programs.

26 (b) Assess the reliability and validity of the
27 information provided by the state agency on performance
28 measures and standards, and make recommendations for
29 improvement, if necessary, prior to submission of those
30 measures and standards to the Executive Office of the Governor
31 pursuant to s. 216.0166(1).

1 (c) Review the actions taken by the state agency to
2 improve program performance and meet program standards and
3 make recommendations for improvement, if necessary.

4 (d) Provide direction for, supervise, and coordinate
5 audits, investigations, and management reviews relating to the
6 programs and operations of the state agency, except that when
7 the inspector general does not possess the qualifications
8 specified in subsection (4), the director of auditing shall
9 conduct such audits.

10 (e) Conduct, supervise, or coordinate other activities
11 carried out or financed by that state agency for the purpose
12 of promoting economy and efficiency in the administration of,
13 or preventing and detecting fraud and abuse in, its programs
14 and operations.

15 (f) Keep such agency head informed concerning fraud,
16 abuses, and deficiencies relating to programs and operations
17 administered or financed by the state agency, recommend
18 corrective action concerning fraud, abuses, and deficiencies,
19 and report on the progress made in implementing corrective
20 action.

21 (g) Ensure effective coordination and cooperation
22 between the Auditor General, federal auditors, and other
23 governmental bodies with a view toward avoiding duplication.

24 (h) Review, as appropriate, rules relating to the
25 programs and operations of such state agency and make
26 recommendations concerning their impact.

27 (i) Ensure that an appropriate balance is maintained
28 between audit, investigative, and other accountability
29 activities.

30 (j) Adopt the current Association of Inspectors
31 General Principles and Standards for Offices of Inspector

1 General for meeting the duties and responsibilities pursuant
2 to this section.

3 (3)(a) The inspector general shall be appointed by the
4 agency head. For agencies under the direction of the Governor,
5 the appointment shall be made after notifying the Governor and
6 the Chief Inspector General in writing, at least 7 days prior
7 to an offer of employment, of the agency head's intention to
8 hire the inspector general.

9 (b) Each inspector general shall report to and be
10 under the general supervision of the agency head and shall not
11 be subject to supervision by any other employee of the state
12 agency. The inspector general shall be appointed without
13 regard to political affiliation.

14 (c) An inspector general may be removed from office by
15 the agency head. For agencies under the direction of the
16 Governor, the agency head shall notify the Governor and the
17 Chief Inspector General, in writing, of the intention to
18 terminate the inspector general at least 7 days prior to the
19 removal. For state agencies under the direction of the
20 Governor and Cabinet, the agency head shall notify the
21 Governor and Cabinet in writing of the intention to terminate
22 the inspector general at least 7 days prior to the removal.

23 (d) The agency head or agency staff shall not prevent
24 or prohibit the inspector general ~~or director of auditing~~ from
25 initiating, carrying out, or completing any audit or
26 investigation.

27 (4) To ensure that state agency audits are performed
28 in accordance with applicable auditing standards, the
29 inspector general or the director of auditing within the
30 inspector general's office shall possess the following
31 qualifications:

1 (a) A bachelor's degree from an accredited college or
2 university with a major in accounting, or with a major in
3 business which includes five courses in accounting, and 5
4 years of experience as an internal auditor or independent
5 postauditor, electronic data processing auditor, accountant,
6 or any combination thereof. The experience shall at a minimum
7 consist of audits of units of government or private business
8 enterprises, operating for profit or not for profit; or

9 (b) A master's degree in accounting, business
10 administration, or public administration from an accredited
11 college or university and 4 years of experience as required in
12 paragraph (a); or

13 (c) A certified public accountant license issued
14 pursuant to chapter 473 or a certified internal audit
15 certificate issued by the Institute of Internal Auditors or
16 earned by examination, and 4 years of experience as required
17 in paragraph (a).

18 (5) In carrying out the auditing duties and
19 responsibilities of this act, each inspector general shall
20 review and evaluate internal controls necessary to ensure the
21 fiscal accountability of the state agency. The inspector
22 general shall conduct financial, compliance, electronic data
23 processing, and performance audits of the agency and prepare
24 audit reports of his or her findings. The scope and assignment
25 of the audits shall be determined by the inspector general;
26 however, the agency head may at any time direct the inspector
27 general to perform an audit of a special program, function, or
28 organizational unit. The performance of the audit shall be
29 under the direction of the inspector general, except that if
30 the inspector general does not possess the qualifications
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1 specified in subsection (4), the director of auditing shall
2 perform the functions listed in this subsection.

3 (a) Such audits shall be conducted in accordance with
4 the current International Standards for the Professional
5 Practice of Internal Auditing ~~as and subsequent Internal~~
6 ~~Auditing Standards or Statements on Internal Auditing~~
7 ~~Standards~~ published by the Institute of Internal Auditors,
8 Inc., or, where appropriate, in accordance with generally
9 accepted governmental auditing standards. All audit reports
10 issued by internal audit staff shall include a statement that
11 the audit was conducted pursuant to the appropriate standards.

12 (b) Audit workpapers and reports shall be public
13 records to the extent that they do not include information
14 which has been made confidential and exempt from the
15 provisions of s. 119.07(1) pursuant to law. However, when the
16 inspector general or a member of the staff receives from an
17 individual a complaint or information that falls within the
18 definition provided in s. 112.3187(5), the name or identity of
19 the individual shall not be disclosed to anyone else without
20 the written consent of the individual, unless the inspector
21 general determines that such disclosure is unavoidable during
22 the course of the audit or investigation.

23 (c) The inspector general and the staff shall have
24 access to any records, data, and other information of the
25 state agency he or she deems necessary to carry out his or her
26 duties. The inspector general is also authorized to request
27 such information or assistance as may be necessary from the
28 state agency or from any federal, state, or local government
29 entity.

30 (d) At the conclusion of each audit, the inspector
31 general shall submit preliminary findings and recommendations

1 | to the person responsible for supervision of the program
2 | function or operational unit who shall respond to any adverse
3 | findings within 20 working days after receipt of the tentative
4 | findings. Such response and the inspector general's rebuttal
5 | to the response shall be included in the final audit report.

6 | (e) The inspector general shall submit the final
7 | report to the agency head and to the Auditor General.

8 | (f) The Auditor General, in connection with the
9 | independent postaudit of the same agency pursuant to s. 11.45,
10 | shall give appropriate consideration to internal audit reports
11 | and the resolution of findings therein. The Legislative
12 | Auditing Committee may inquire into the reasons or
13 | justifications for failure of the agency head to correct the
14 | deficiencies reported in internal audits that are also
15 | reported by the Auditor General and shall take appropriate
16 | action.

17 | (g) The inspector general shall monitor the
18 | implementation of the state agency's response to any report on
19 | the state agency issued by the Auditor General or by the
20 | Office of Program Policy Analysis and Government
21 | Accountability. No later than 6 months after the Auditor
22 | General or the Office of Program Policy Analysis and
23 | Government Accountability publishes a report on the state
24 | agency, the inspector general shall provide a written response
25 | to the agency head on the status of corrective actions taken.
26 | The Inspector General shall file a copy of such response with
27 | the Legislative Auditing Committee.

28 | (h) The inspector general shall develop long-term and
29 | annual audit plans based on the findings of periodic risk
30 | assessments. The plan, where appropriate, should include
31 | postaudit samplings of payments and accounts. The plan shall

1 show the individual audits to be conducted during each year
2 and related resources to be devoted to the respective audits.
3 The Chief Financial Officer, to assist in fulfilling the
4 responsibilities for examining, auditing, and settling
5 accounts, claims, and demands pursuant to s. 17.03(1), and
6 examining, auditing, adjusting, and settling accounts pursuant
7 to s. 17.04, may utilize audits performed by the inspectors
8 general and internal auditors. For state agencies under the
9 Governor, the audit plans shall be submitted to the Governor's
10 Chief Inspector General. The plan shall be submitted to the
11 agency head for approval. A copy of the approved plan shall be
12 submitted to the Auditor General.

13 (6) In carrying out the investigative duties and
14 responsibilities specified in this section, each inspector
15 general shall initiate, conduct, supervise, and coordinate
16 investigations designed to detect, deter, prevent, and
17 eradicate fraud, waste, mismanagement, misconduct, and other
18 abuses in state government. For these purposes, each inspector
19 general ~~state agency~~ shall:

20 (a) Receive complaints and coordinate all activities
21 of the agency as required by the Whistle-blower's Act pursuant
22 to ss. 112.3187-112.31895.

23 (b) Receive and consider the complaints which do not
24 meet the criteria for an investigation under the
25 Whistle-blower's Act and conduct, supervise, or coordinate
26 such inquiries, investigations, or reviews as the inspector
27 general deems appropriate.

28 (c) Report expeditiously to the Department of Law
29 Enforcement or other law enforcement agencies, as appropriate,
30 whenever the inspector general has reasonable grounds to
31 believe there has been a violation of criminal law.

1 (d) Conduct investigations and other inquiries free of
2 actual or perceived impairment to the independence of the
3 inspector general or the inspector general's office. This
4 shall include freedom from any interference with
5 investigations and timely access to records and other sources
6 of information.

7 (e) Submit in a timely fashion final reports on
8 investigations conducted by the inspector general to the
9 agency head, except for whistle-blower's investigations, which
10 shall be conducted and reported pursuant to s. 112.3189.

11 (7) Each inspector general shall, not later than
12 September 30 of each year, prepare an annual report
13 summarizing the activities of the office during the
14 immediately preceding state fiscal year. The final report
15 shall be furnished to the agency head. Such report shall
16 include, but need not be limited to:

17 (a) A description of activities relating to the
18 development, assessment, and validation of performance
19 measures.

20 (b) A description of significant abuses and
21 deficiencies relating to the administration of programs and
22 operations of the agency disclosed by investigations, audits,
23 reviews, or other activities during the reporting period.

24 (c) A description of the recommendations for
25 corrective action made by the inspector general during the
26 reporting period with respect to significant problems, abuses,
27 or deficiencies identified.

28 (d) The identification of each significant
29 recommendation described in previous annual reports on which
30 corrective action has not been completed.

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1 (e) A summary of each audit and investigation
2 completed during the reporting period.

3 (8) The Chief Inspector General in the Executive
4 Office of the Governor, as defined in s. 14.32, shall:

5 (a) Adopt policies and procedures to specify the
6 conditions and procedures for reviewing an agency inspector
7 general final investigative report. The policies and
8 procedures must include provisions related to:

9 1. Offering entities contracting with state agencies
10 and individuals substantially affected by the findings,
11 conclusions, and recommendations a meaningful opportunity to
12 challenge in writing the findings, conclusions, and
13 recommendations contained in an agency inspector general's
14 final investigative report or to seek review by the Chief
15 Inspector General under the process described in this
16 subsection.

17 2. Identifying the entities and individuals allowed to
18 submit a written response.

19 3. Identifying the circumstances under which the
20 entity's or individual's response must be attached to the
21 agency inspector general's final report.

22 4. Providing a review process that allows entities and
23 individuals substantially affected by the findings,
24 conclusions, and recommendations of an agency inspector
25 general final investigative report to present to the Chief
26 Inspector General, or a designee, any additional material
27 relevant to the final investigative report.

28 5. Allowing the Chief Inspector General to
29 independently investigate the agency inspector general's final
30 report and the original investigation.

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1 6. Special conditions for whistle-blower
2 investigations in accordance with ss. 112.3187-112.31895.
3 7. Exemptions from the review process for specific
4 categories of investigations.
5 8. Definitions of terms related to the review process.
6 (b) Ensure that policies and procedures adopted
7 pursuant to this subsection are consistent with the
8 recommendations contained in the report of the Council on
9 State Agency Inspectors General dated December 19, 2006.
10 ~~(9)~~(8) Each agency inspector general shall, to the
11 extent both necessary and practicable, include on his or her
12 staff individuals with electronic data processing auditing
13 experience.
14 Section 2. This act shall take effect July 1, 2007.
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