

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Grimsley offered the following:

2  
3 **Amendment (with title amendment)**

4 Remove everything after the enacting clause and insert:

5  
6 Section 1. Paragraphs (c) and (g) of subsection (1),  
7 subsection (2), paragraphs (u), (v), (w), and (x) of subsection  
8 (3), and paragraph (h) of subsection (7) of section 11.45,  
9 Florida Statutes, are amended, and a new paragraph (x) is added  
10 to subsection (3) of that section, to read:

11 11.45 Definitions; duties; authorities; reports; rules.—

12 (1) DEFINITIONS.—As used in ss. 11.40-11.513, the term:

13 (c) "Financial audit" means an examination of financial  
14 statements in order to express an opinion on the fairness with  
15 which they are presented in conformity with generally accepted  
16 accounting principles and an examination to determine whether

761437

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Amendment No.

17 operations are properly conducted in accordance with legal and  
18 regulatory requirements. Financial audits must be conducted in  
19 accordance with auditing standards generally accepted in the  
20 United States auditing standards and government auditing  
21 standards as adopted by the Board of Accountancy. When  
22 applicable, the scope of financial audits shall encompass the  
23 additional activities necessary to establish compliance with the  
24 Single Audit Act Amendments of 1996, 31 U.S.C.A. ss. 7501-7507  
25 and other applicable federal law.

26 (g) "Operational audit" means an a-financial-related audit  
27 whose purpose is to evaluate management's performance in  
28 establishing and maintaining internal controls, including  
29 controls designed to prevent and detect fraud, waste, and abuse,  
30 and in administering assigned responsibilities in accordance  
31 with applicable laws, ~~administrative~~ rules, regulations,  
32 contracts, grant agreements, and other guidelines. Operational  
33 audits must be conducted in accordance with government auditing  
34 standards. Operational audits examine and to determine the  
35 extent to which the internal controls control, as designed and  
36 placed in operation ~~to~~ promote promotes and encourage  
37 ~~encourages~~ the achievement of management's control objectives in  
38 the categories of compliance, economic and efficient operations,  
39 reliability of financial records and reports, and safeguarding  
40 of assets and the identification of weaknesses in those internal  
41 controls.

42 (2) DUTIES.—The Auditor General shall:

761437

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Amendment No.

43 (a) Conduct audits of records and perform related duties  
44 as prescribed by law, concurrent resolution of the Legislature,  
45 or as directed by the Legislative Auditing Committee.

46 (b) Annually conduct a financial audit of state  
47 government.

48 (c) Annually conduct financial audits of all state  
49 ~~universities and district boards of trustees of community~~  
50 ~~colleges.~~

51 (d) Annually conduct financial audits of the accounts and  
52 records of all district school boards in counties with  
53 populations of fewer than 150,000, according to the most recent  
54 federal decennial statewide census.

55 (e) Once every 3 years, conduct financial audits of the  
56 accounts and records of all district school boards in counties  
57 with populations of 150,000 or more, according to the most  
58 recent federal decennial statewide census. ~~Through fiscal year~~  
59 ~~2008-2009, annually conduct an audit of the Wireless Emergency~~  
60 ~~Telephone System Fund as described in s. 365.173.~~

61 ~~(f) Annually conduct audits of the accounts and records of~~  
62 ~~the Florida School for the Deaf and the Blind.~~

63 (f)(g) At least every 3 2 years, conduct operational  
64 audits of the accounts and records of state agencies, and  
65 universities, colleges, district school boards, the Florida  
66 Clerks of Court Operations Corporation, and the Florida School  
67 for the Deaf and the Blind. ~~In connection with these audits, the~~  
68 ~~Auditor General shall give appropriate consideration to reports~~  
69 ~~issued by state agencies' inspectors general or universities'~~  
70 ~~inspectors general and the resolution of findings therein.~~

761437

Approved For Filing: 4/5/2011 1:58:50 PM

Amendment No.

71        (g) ~~(h)~~ At least every 3 ~~2~~ years, conduct a performance  
72 audit of the local government financial reporting system, which,  
73 for the purpose of this chapter, means any statutory provisions  
74 related to local government financial reporting. The purpose of  
75 such an audit is to determine the accuracy, efficiency, and  
76 effectiveness of the reporting system in achieving its goals and  
77 to make recommendations to the local governments, the Governor,  
78 and the Legislature as to how the reporting system can be  
79 improved and how program costs can be reduced. The Auditor  
80 General shall determine the scope of such audits. The local  
81 government financial reporting system should provide for the  
82 timely, accurate, uniform, and cost-effective accumulation of  
83 financial and other information that can be used by the members  
84 of the Legislature and other appropriate officials to accomplish  
85 the following goals:

- 86            1. Enhance citizen participation in local government;
- 87            2. Improve the financial condition of local governments;
- 88            3. Provide essential government services in an efficient  
89 and effective manner; and
- 90            4. Improve decisionmaking on the part of the Legislature,  
91 state agencies, and local government officials on matters  
92 relating to local government.

93        (h) ~~(i)~~ At least ~~One~~ every 3 years, conduct a performance  
94 audit ~~audits~~ of the Department of Revenue's administration of  
95 the ad valorem tax laws ~~as described in s. 195.096~~. The  
96 performance audit shall report on the activities of the ad  
97 valorem tax program of the Department of Revenue related to the  
98 ad valorem tax rolls. The Auditor General shall include, for at  
761437

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Amendment No.

99 least four counties so reviewed, findings as to the accuracy of  
100 assessment procedures, projections, and computations made by the  
101 division, using the same generally accepted appraisal standards  
102 and procedures to which the division and the property appraisers  
103 are required to adhere. However, the report may not include any  
104 findings or statistics related to any ad valorem tax roll that  
105 is in litigation between the state and county officials at the  
106 time the report is to be issued.

107 ~~(j) Once every 3 years, conduct financial audits of the~~  
108 ~~accounts and records of all district school boards in counties~~  
109 ~~with populations of 125,000 or more, according to the most~~  
110 ~~recent federal decennial statewide census.~~

111 (i)-(k) Once every 3 years, review a sample of each state  
112 agency's internal audit reports at each state agency, as defined  
113 in s. 20.0551(1)(a), to determine compliance with current  
114 Standards for the Professional Practice of Internal Auditing or,  
115 if appropriate, government auditing standards.

116 (j)-(l) Conduct audits of local governmental entities when  
117 determined to be necessary by the Auditor General, when directed  
118 by the Legislative Auditing Committee, or when otherwise  
119 required by law. No later than 18 months after the release of  
120 the audit report, the Auditor General shall perform such  
121 appropriate followup procedures as he or she deems necessary to  
122 determine the audited entity's progress in addressing the  
123 findings and recommendations contained within the Auditor  
124 General's previous report. The Auditor General shall notify  
125 provide a copy of his or her determination to each member of the

761437

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Amendment No.

126 audited entity's governing body and ~~to~~ the Legislative Auditing  
127 Committee of the results of his or her determination.  
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129 The Auditor General shall perform his or her duties  
130 independently but under the general policies established by the  
131 Legislative Auditing Committee. This subsection does not limit  
132 the Auditor General's discretionary authority to conduct other  
133 audits or engagements of governmental entities as authorized in  
134 subsection (3).

135 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The  
136 Auditor General may, pursuant to his or her own authority, or at  
137 the direction of the Legislative Auditing Committee, conduct  
138 audits or other engagements as determined appropriate by the  
139 Auditor General of:

140 ~~(u) The Investment Fraud Restoration Financing Corporation~~  
141 ~~created pursuant to chapter 517.~~

142 (u)~~(v)~~ The books and records of any permitholder that  
143 conducts race meetings or jai alai exhibitions under chapter  
144 550.

145 (v)~~(w)~~ The corporation defined in part II of chapter 946,  
146 known as the Prison Rehabilitative Industries and Diversified  
147 Enterprises, Inc., or PRIDE Enterprises.

148 (w)~~(x)~~ The Florida Virtual School pursuant to s. 1002.37.

149 (x) Virtual education providers receiving state funds or  
150 funds from local ad valorem taxes.

151 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

152 (h) The Auditor General shall compile and transmit to the  
153 President of the Senate, the Speaker of the House of

761437

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Amendment No.

154 Representatives, and the Legislative Auditing Committee by  
155 December 1 of each year an annual report, which shall include a  
156 projected 2-year work plan identifying the audits and other  
157 accountability activities to be undertaken and a list of  
158 statutory and fiscal changes recommended by the Auditor General.  
159 The Auditor General may also transmit recommendations at other  
160 times of the year when the information would be timely and  
161 useful for the Legislature.

162 Section 2. Subsection (3) of section 25.075, Florida  
163 Statutes, is amended to read:

164 25.075 Uniform case reporting system.—

165 ~~(3) The Auditor General shall audit the reports made to~~  
166 ~~the Supreme Court in accordance with the uniform system~~  
167 ~~established by the Supreme Court.~~

168 Section 3. Subsection (5) of section 28.35, Florida  
169 Statutes, is amended to read:

170 28.35 Florida Clerks of Court Operations Corporation.—

171 ~~(5) (a) The corporation shall submit an annual audited~~  
172 ~~financial statement to the Auditor General in a form and manner~~  
173 ~~prescribed by the Auditor General. The Auditor General shall~~  
174 ~~conduct an annual audit of the operations of the corporation,~~  
175 ~~including the use of funds and compliance with the provisions of~~  
176 ~~this section and ss. 28.36 and 28.37.~~

177 ~~(b)~~ Certified public accountants conducting audits of  
178 counties pursuant to s. 218.39 shall report, as part of the  
179 audit, whether or not the clerks of the courts have complied  
180 with the requirements of this section and s. 28.36. In addition,  
181 each clerk of court shall forward a copy of the portion of the  
761437

Approved For Filing: 4/5/2011 1:58:50 PM

Amendment No.

182 financial audit relating to the court-related duties of the  
183 clerk of court to the Supreme Court. The Auditor General shall  
184 develop a compliance supplement for the audit of compliance with  
185 the budgets and applicable performance standards certified by  
186 the corporation.

187 Section 4. Subsections (7), (8), and (9) of section  
188 195.096, Florida Statutes, are amended to read:

189 195.096 Review of assessment rolls.—

190 ~~(7) The Auditor General shall conduct a performance audit~~  
191 ~~of the administration of ad valorem tax laws by the department~~  
192 ~~triennially following completion of reviews conducted pursuant~~  
193 ~~to this section. The audit report shall be submitted to the~~  
194 ~~Legislature no later than April 1, on a triennial basis,~~  
195 ~~reporting on the activities of the ad valorem tax program of the~~  
196 ~~Department of Revenue related to the ad valorem tax rolls. The~~  
197 ~~Auditor General shall include, for at least four counties so~~  
198 ~~reviewed, findings as to the accuracy of assessment procedures,~~  
199 ~~projections, and computations made by the division, utilizing~~  
200 ~~the same generally accepted appraisal standards and procedures~~  
201 ~~to which the division and the property appraisers are required~~  
202 ~~to adhere. However, the report shall not include any findings or~~  
203 ~~statistics related to any ad valorem tax roll which is in~~  
204 ~~litigation between the state and county officials at the time~~  
205 ~~the report is to be issued.~~

206 ~~(7)-(8)~~ When a roll is prepared as an interim roll pursuant  
207 to s. 193.1145, the department shall compute assessment levels  
208 for both the interim roll and the final approved roll.

209 ~~(8)-(9)~~ Chapter 120 does ~~shall~~ not apply to this section.

761437

Approved For Filing: 4/5/2011 1:58:50 PM



Amendment No.

210 Section 5. Subsection (17) of section 218.31, Florida  
211 Statutes, is amended to read:

212 218.31 Definitions.—As used in this part, except where the  
213 context clearly indicates a different meaning:

214 (17) "Financial audit" means an examination of financial  
215 statements in order to express an opinion on the fairness with  
216 which they are presented in conformity with generally accepted  
217 accounting principles and an examination to determine whether  
218 operations are properly conducted in accordance with legal and  
219 regulatory requirements. Financial audits must be conducted in  
220 accordance with auditing standards generally accepted in the  
221 United States ~~auditing standards~~ and government auditing  
222 standards as adopted by the Board of Accountancy and as  
223 prescribed by rules promulgated by the Auditor General. When  
224 applicable, the scope of financial audits shall encompass the  
225 additional activities necessary to establish compliance with the  
226 Single Audit Act Amendments of 1996, 31 U.S.C.A. ss. 7501-7507  
227 and other applicable federal law.

228 Section 6. Subsection (5) of section 273.05, Florida  
229 Statutes, is amended to read:

230 273.05 Surplus property.—

231 (5) The custodian shall maintain records of property that  
232 is certified as surplus with information indicating the value  
233 and condition of the property. Agency records for property  
234 certified as surplus shall comply with rules issued by the Chief  
235 Financial Officer ~~Auditor General~~.

236 Section 7. Subsection (3) of section 365.173, Florida  
237 Statutes, is amended to read:

761437

Approved For Filing: 4/5/2011 1:58:50 PM

Amendment No.

238 365.173 Emergency Communications Number E911 System Fund.—

239 ~~(3) The Auditor General shall annually audit the fund to~~  
240 ~~ensure that moneys in the fund are being managed in accordance~~  
241 ~~with this section and s. 365.172. The Auditor General shall~~  
242 ~~provide a report of the annual audit to the board.~~

243 Section 8. Subsections (3) and (4) and paragraph (d) of  
244 subsection (5) of section 943.25, Florida Statutes, are amended,  
245 and present subsections (4) through (12) are renumbered as  
246 subsections (3) through (11), respectively, to read:

247 943.25 Criminal justice trust funds; source of funds; use  
248 of funds.—

249 ~~(3) The Auditor General is directed in her or his audit of~~  
250 ~~courts to ascertain that such assessments have been collected~~  
251 ~~and remitted and shall report to the Legislature. All such~~  
252 ~~records of the courts shall be open for her or his inspection.~~  
253 ~~The Auditor General is further directed to conduct audits of the~~  
254 ~~expenditures of the trust funds and to report to the~~  
255 ~~Legislature. Such audits shall be conducted in accordance with~~  
256 ~~s. 11.45.~~

257 (3)~~(4)~~ The commission shall, by rule, establish,  
258 implement, supervise, and evaluate the expenditures of the  
259 Criminal Justice Standards and Training Trust Fund for approved  
260 advanced and specialized training program courses. Criminal  
261 justice training school enhancements may be authorized by the  
262 commission subject to the provisions of subsection (6) ~~(7)~~. The  
263 commission may approve the training of appropriate support  
264 personnel when it can be demonstrated that these personnel  
265 directly support the criminal justice function.

761437

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Amendment No.

266        (4)~~(5)~~ The commission shall authorize the establishment of  
267 regional training councils to advise and assist the commission  
268 in developing and maintaining a plan assessing regional criminal  
269 justice training needs and to act as an extension of the  
270 commission in the planning, programming, and budgeting for  
271 expenditures of the moneys in the Criminal Justice Standards and  
272 Training Trust Fund.

273        (d) A public criminal justice training school must be  
274 designated by the commission to receive and distribute the  
275 disbursements authorized under subsection (8) ~~(9)~~.

276        Section 9. Subsection (3) of section 1002.36, Florida  
277 Statutes, is amended to read:

278        1002.36 Florida School for the Deaf and the Blind.—

279        (3) AUDITS.—The Auditor General shall conduct ~~annual~~  
280 audits of the accounts and records of the Florida School for the  
281 Deaf and the Blind as provided in s. 11.45. The Department of  
282 Education's Inspector General is authorized to conduct  
283 investigations at the school as provided in s. 1001.20(4)(e).

284        Section 10. Paragraph (c) of subsection (5) of section  
285 1009.53, Florida Statutes, is amended, and paragraph (d) is  
286 added to that subsection, to read:

287        1009.53 Florida Bright Futures Scholarship Program.—

288        (5) The department shall issue awards from the scholarship  
289 program annually. Annual awards may be for up to 45 semester  
290 credit hours or the equivalent. Before the registration period  
291 each semester, the department shall transmit payment for each  
292 award to the president or director of the postsecondary  
293 education institution, or his or her representative, except that

761437

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Amendment No.

294 the department may withhold payment if the receiving institution  
295 fails to report or to make refunds to the department as required  
296 in this section.

297 (c) Each institution that receives moneys through this  
298 program shall provide for a ~~prepare an annual report that~~  
299 ~~includes an annual~~ financial audit, as defined in s.  
300 11.45(1)(c), conducted by an independent certified public  
301 accountant or the Auditor General, for each fiscal year in which  
302 the institution expends program moneys in excess of \$100,000. At  
303 least every 2 years, the audit ~~The report~~ shall include an  
304 examination ~~audit~~ of the institution's administration of the  
305 program and the institution's a ~~complete~~ accounting of the  
306 moneys for the program since the last examination of the  
307 institution's administration of the program. The ~~This~~ report on  
308 the audit must be submitted to the department within 9 months  
309 after the end of the fiscal year ~~annually by March 1.~~ The  
310 department may conduct its own annual audit of an institution's  
311 administration of the program. The department may request a  
312 refund of any moneys overpaid to the institution for the  
313 program. The department may suspend or revoke an institution's  
314 eligibility to receive future moneys for the program if the  
315 department finds that an institution has not complied with this  
316 section. The institution must remit within 60 days any refund  
317 requested in accordance with this subsection.

318 (d) Any institution not subject to audit pursuant to this  
319 subsection shall attest, under penalties of perjury, that  
320 proceeds received under this subsection were used in compliance

761437

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Amendment No.

321 with the applicable law. The attestation shall be made annually  
322 in a form and format determined by the department.

323 Section 11. Paragraph (b) of subsection (1) of section  
324 938.01, Florida Statutes, is amended to read:

325 938.01 Additional Court Cost Clearing Trust Fund.—

326 (1) All courts created by Art. V of the State Constitution  
327 shall, in addition to any fine or other penalty, require every  
328 person convicted for violation of a state penal or criminal  
329 statute or convicted for violation of a municipal or county  
330 ordinance to pay \$3 as a court cost. Any person whose  
331 adjudication is withheld pursuant to the provisions of s.  
332 318.14(9) or (10) shall also be liable for payment of such cost.  
333 In addition, \$3 from every bond estreature or forfeited bail  
334 bond related to such penal statutes or penal ordinances shall be  
335 remitted to the Department of Revenue as described in this  
336 subsection. However, no such assessment may be made against any  
337 person convicted for violation of any state statute, municipal  
338 ordinance, or county ordinance relating to the parking of  
339 vehicles.

340 (b) All funds in the Department of Law Enforcement  
341 Criminal Justice Standards and Training Trust Fund shall be  
342 disbursed only in compliance with s. 943.25(8)~~(9)~~.

343 Section 12. Paragraph (c) of subsection (1) of section  
344 943.17, Florida Statutes, is amended to read:

345 943.17 Basic recruit, advanced, and career development  
346 training programs; participation; cost; evaluation.—The  
347 commission shall, by rule, design, implement, maintain,  
348 evaluate, and revise entry requirements and job-related

761437

Approved For Filing: 4/5/2011 1:58:50 PM

Amendment No.

349 curricula and performance standards for basic recruit, advanced,  
350 and career development training programs and courses. The rules  
351 shall include, but are not limited to, a methodology to assess  
352 relevance of the subject matter to the job, student performance,  
353 and instructor competency.

354 (1) The commission shall:

355 (c) Design, implement, maintain, evaluate, revise, or  
356 adopt a career development training program which is limited to  
357 those courses related to promotion to a higher rank or position.  
358 Career development courses will not be eligible for funding as  
359 provided in s. 943.25 (8) ~~(9)~~.

360 Section 13. This act shall take effect July 1, 2011.

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**T I T L E A M E N D M E N T**

364 Remove the entire title and insert:

365 A bill to be entitled  
366 An act relating to the Auditor General; amending s. 11.45,  
367 F.S.; requiring that financial audits be conducted in  
368 accordance with certain auditing standards and activities;  
369 expanding the definition and standards of "operational  
370 audit"; revising the duties of the Auditor General  
371 pertaining to financial audits of district boards of  
372 trustees of community colleges, district school boards,  
373 universities, colleges, the Florida Clerks of Court  
374 Operations Corporation, and the Florida School for the  
375 Deaf and Blind; revising the time for conducting certain  
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761437

Approved For Filing: 4/5/2011 1:58:50 PM

Amendment No.

377 operational audits; revising the requirements for  
378 conducting a performance audit of the ad valorem tax laws;  
379 deleting the authority of the Auditor General to conduct  
380 an audit of the Investment Fraud Restoration Financing  
381 Corporation; authorizing the Auditor General to conduct  
382 audits or other engagements of certain virtual education  
383 providers; expanding the requirements of the annual report  
384 to the legislative leadership and Legislative Auditing  
385 Committee; amending s. 25.075, F.S.; deleting the  
386 requirement that the Auditor General audit certain reports  
387 made to the Supreme Court in accordance with the uniform  
388 case reporting system established by the court; amending  
389 s. 28.35, F.S.; deleting the requirements that the Florida  
390 Clerks of Court Operations Corporation submit an annual  
391 audited financial statement to the Auditor General and  
392 that the Auditor General conduct an audit of the  
393 corporation; amending s. 195.096, F.S.; deleting the  
394 requirement that the Auditor General conduct a performance  
395 audit of the administration of ad valorem tax laws;  
396 amending s. 218.31, F.S.; requiring that financial audits  
397 be conducted in accordance with certain auditing standards  
398 and activities; amending s. 273.05, F.S.; transferring the  
399 responsibility of developing rules for surplus property  
400 records from the Auditor General to the Chief Financial  
401 Officer; amending s. 365.173, F.S.; deleting certain  
402 responsibilities of the Auditor General for the Emergency  
403 Communications Number E911 System Fund; amending s.  
404 943.25, F.S.; deleting certain responsibilities of the

761437

Approved For Filing: 4/5/2011 1:58:50 PM

## Amendment No.

405 Auditor General pertaining to criminal justice trust  
406 funds; amending s. 1002.36, F.S.; deleting the requirement  
407 that the Auditor General perform annual audits of the  
408 Florida School for the Deaf and the Blind; amending s.  
409 1009.53, F.S.; revising the criteria for audits for  
410 institutions which receive a certain amount of funds from  
411 the Bright Futures Scholarship program; providing a date  
412 by which certain reports must be submitted; providing that  
413 an institution that is not subject to the audit shall  
414 attest, under penalty of perjury, that the scholarship  
415 proceeds were used in compliance with law; providing that  
416 the Department of Education may establish the form and  
417 format for the attestation; amending ss. 938.01 and  
418 943.17, F.S.; conforming cross-references to changes made  
419 by the act; providing an effective date.