

FOR CONSIDERATION By the Committee on Budget

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1                                   A bill to be entitled  
2           An act relating to the Auditor General; amending s.  
3           11.45, F.S.; redefining the term "financial audit" to  
4           conform with applicable auditing standards; defining  
5           the term "operational audit" to provide the objectives  
6           of such audits; clarifying the requirement for the  
7           Auditor General to conduct financial audits of the  
8           accounts and records of all district school boards in  
9           counties of a specified size once every 3 years;  
10          revising duties and responsibilities of the Auditor  
11          General; requiring that the Auditor General conduct  
12          operational audits at least every 3 years of certain  
13          additional state entities and district school boards  
14          and report on the activities of the ad valorem tax  
15          program of the Department of Revenue; amending ss.  
16          25.075 and 28.35, F.S.; revising the duties of the  
17          Auditor General with respect to responsibilities for  
18          auditing certain reports made to the State Supreme  
19          Court and the operations of the Florida Clerks of  
20          Court Operations Corporation, respectively; repealing  
21          s. 195.096(7), F.S., relating to the Auditor General's  
22          responsibility for conducting a performance audit of  
23          the Department of Revenue's administration of ad  
24          valorem tax laws; amending s. 218.31, F.S.; redefining  
25          the term "financial audit" to conform with applicable  
26          auditing standards; amending s. 273.05, F.S.; revising  
27          requirements to issue rules for surplus property;  
28          repealing ss. 365.173(3) and 943.25(3), F.S., relating  
29          to the Auditor General's responsibilities for auditing

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30 the Emergency Communications Number E911 System Fund  
31 and criminal justice trust funds, respectively;  
32 amending s. 1002.36, F.S.; conforming provisions to  
33 changes made by the act; amending s. 1009.53, F.S.;  
34 requiring colleges and universities that receive  
35 Florida Bright Futures Scholarship Program moneys to  
36 submit to the Department of Education a financial  
37 audit prepared by an independent certified public  
38 accountant or the Auditor General if the college or  
39 university expended more than a specified amount of  
40 program money; requiring that the audit include an  
41 examination of the institute's administration of the  
42 program; providing that the audit be submitted to the  
43 department within a certain time; requiring any  
44 institution that is not subject to the audit to  
45 attest, under penalty of perjury, that the moneys were  
46 used in compliance with the law; providing for the  
47 attestation be made annually in a form and format  
48 determined by the Department of Education; reenacting  
49 s. 11.40(3), F.S., relating to the Legislative  
50 Auditing Committee, to incorporate the amendments made  
51 to s. 11.45, F.S., in a reference thereto; providing  
52 an effective date.

53  
54 Be It Enacted by the Legislature of the State of Florida:

55  
56 Section 1. Section 11.45, Florida Statutes, is amended to  
57 read:

58 11.45 Definitions; duties; authorities; reports; rules.—

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

60 (a) "Audit" means a financial audit, operational audit, or  
61 performance audit.

62 (b) "County agency" means a board of county commissioners  
63 or other legislative and governing body of a county, however  
64 styled, including that of a consolidated or metropolitan  
65 government, a clerk of the circuit court, a separate or ex  
66 officio clerk of the county court, a sheriff, a property  
67 appraiser, a tax collector, a supervisor of elections, or any  
68 other officer in whom any portion of the fiscal duties of the  
69 above are under law separately placed.

70 (c) "Financial audit" means an examination of financial  
71 statements in order to express an opinion on the fairness with  
72 which they are presented in conformity with generally accepted  
73 accounting principles and an examination to determine whether  
74 operations are properly conducted in accordance with legal and  
75 regulatory requirements. Financial audits must be conducted in  
76 accordance with auditing standards generally accepted in the  
77 United States ~~auditing standards~~ and government auditing  
78 standards as adopted by the Board of Accountancy. When  
79 applicable, the scope of financial audits shall encompass the  
80 additional activities necessary to establish compliance with the  
81 Single Audit Act Amendments of 1996, 31 U.S.C. ss. 7501-7507 and  
82 other applicable federal law.

83 (d) "Governmental entity" means a state agency, a county  
84 agency, or any other entity, however styled, that independently  
85 exercises any type of state or local governmental function.

86 (e) "Local governmental entity" means a county agency,  
87 municipality, or special district as defined in s. 189.403, but

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88 does not include any housing authority established under chapter  
89 421.

90 (f) "Management letter" means a statement of the auditor's  
91 comments and recommendations.

92 (g) "Operational audit" means an ~~a financial-related~~ audit  
93 whose purpose is to evaluate management's performance in  
94 establishing and maintaining internal controls, including  
95 controls designed to prevent and detect fraud, waste, and abuse,  
96 and in administering assigned responsibilities in accordance  
97 with applicable laws, administrative rules, contracts, grant  
98 agreements and other guidelines. Operational audits must be  
99 conducted in accordance with government auditing standards. Such  
100 audits examine and to determine the extent to which the internal  
101 controls that are control, ~~as~~ designed and placed in operation  
102 to promote, promotes and encourage encourages the achievement of  
103 management's control objectives in the categories of compliance,  
104 economic and efficient operations, reliability of financial  
105 records and reports, and safeguarding of assets, and identify  
106 weaknesses in those internal controls.

107 (h) "Performance audit" means an examination of a program,  
108 activity, or function of a governmental entity, conducted in  
109 accordance with applicable government auditing standards or  
110 auditing and evaluation standards of other appropriate  
111 authoritative bodies. The term includes an examination of issues  
112 related to:

- 113 1. Economy, efficiency, or effectiveness of the program.
- 114 2. Structure or design of the program to accomplish its  
115 goals and objectives.
- 116 3. Adequacy of the program to meet the needs identified by

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117 the Legislature or governing body.

118 4. Alternative methods of providing program services or  
119 products.

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

122 6. The accuracy or adequacy of public documents, reports,  
123 or requests prepared under the program by state agencies.

124 7. Compliance of the program with appropriate policies,  
125 rules, or laws.

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

128 (i) "Political subdivision" means a separate agency or unit  
129 of local government created or established by law and includes,  
130 but is not limited to, the following and the officers thereof:  
131 authority, board, branch, bureau, city, commission, consolidated  
132 government, county, department, district, institution,  
133 metropolitan government, municipality, office, officer, public  
134 corporation, town, or village.

135 (j) "State agency" means a separate agency or unit of state  
136 government created or established by law and includes, but is  
137 not limited to, the following and the officers thereof:  
138 authority, board, branch, bureau, commission, department,  
139 division, institution, office, officer, or public corporation,  
140 as the case may be, except any such agency or unit within the  
141 legislative branch of state government other than the Florida  
142 Public Service Commission.

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

144 (a) Conduct audits of records and perform related duties as  
145 prescribed by law, concurrent resolution of the Legislature, or

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146 as directed by the Legislative Auditing Committee.

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

148 (c) Annually conduct financial audits of all state  
149 universities and state ~~district boards of trustees of community~~  
150 colleges.

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

155 (e) Once every 3 years, conduct financial audits of the  
156 accounts and records of all district school boards in counties  
157 that have populations of 150,000 or more, according to the most  
158 recent federal decennial statewide census. ~~Through fiscal year~~  
159 ~~2008-2009, annually conduct an audit of the Wireless Emergency~~  
160 ~~Telephone System Fund as described in s. 365.173.~~

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

163 (f)(g) At least every 3 2 years, conduct operational audits  
164 of the accounts and records of state agencies, state and  
165 universities, state colleges, district school boards, the  
166 Florida Clerks of Court Operations Corporation, water management  
167 districts, and the Florida School for the Deaf and the Blind. ~~In~~  
168 ~~connection with these audits, the Auditor General shall give~~  
169 ~~appropriate consideration to reports issued by state agencies'~~  
170 ~~inspectors general or universities' inspectors general and the~~  
171 ~~resolution of findings therein.~~

172 (g)(h) At least every 3 2 years, conduct a performance  
173 audit of the local government financial reporting system, which,  
174 for the purpose of this chapter, means any statutory provision

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175 ~~provisions~~ related to local government financial reporting. The  
176 purpose of such an audit is to determine the accuracy,  
177 efficiency, and effectiveness of the reporting system in  
178 achieving its goals and to make recommendations to the local  
179 governments, the Governor, and the Legislature as to how the  
180 reporting system can be improved and how program costs can be  
181 reduced. The Auditor General shall determine the scope of the  
182 ~~such~~ audits. The local government financial reporting system  
183 should provide for the timely, accurate, uniform, and cost-  
184 effective accumulation of financial and other information that  
185 can be used by the members of the Legislature and other  
186 appropriate officials to accomplish the following goals:

- 187 1. Enhance citizen participation in local government;
- 188 2. Improve the financial condition of local governments;
- 189 3. Provide essential government services in an efficient  
190 and effective manner; and
- 191 4. Improve decisionmaking on the part of the Legislature,  
192 state agencies, and local government officials on matters  
193 relating to local government.

194 ~~(h)-(i)~~ At least ~~one~~ every 3 years, conduct a performance  
195 audit ~~audits~~ of the Department of Revenue's administration of  
196 the ad valorem tax laws as described in s. 195.096. The audit  
197 report shall report on the activities of the ad valorem tax  
198 program of the Department of Revenue related to the ad valorem  
199 tax rolls. The Auditor General shall include, for at least four  
200 counties reviewed, findings as to the accuracy of assessment  
201 procedures, projections, and computations made by the  
202 department, using the same generally accepted appraisal  
203 standards and procedures to which the department and the

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204 property appraisers are required to adhere. However, the report  
205 may not include any findings or statistics related to any ad  
206 valorem tax roll that is in litigation between the state and  
207 county officials at the time the report is issued.

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

212 (i) ~~(k)~~ Once every 3 years, review a sample of each state  
213 agency's internal audit reports at each state agency, as defined  
214 in s. 20.055(1), to determine compliance with current Standards  
215 for the Professional Practice of Internal Auditing or, if  
216 appropriate, government auditing standards.

217 (j) ~~(l)~~ Conduct audits of local governmental entities when  
218 determined to be necessary by the Auditor General, when directed  
219 by the Legislative Auditing Committee, or when otherwise  
220 required by law. No later than 18 months after the release of  
221 the audit report, the Auditor General shall perform such  
222 appropriate followup procedures as he or she deems necessary to  
223 determine the audited entity's progress in addressing the  
224 findings and recommendations contained within the Auditor  
225 General's previous report. The Auditor General shall notify  
226 ~~provide a copy of his or her determination to~~ each member of the  
227 audited entity's governing body and ~~to~~ the Legislative Auditing  
228 Committee of the results of his or her determination.

229  
230 The Auditor General shall perform his or her duties  
231 independently but under the general policies established by the  
232 Legislative Auditing Committee. This subsection does not limit



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233 the Auditor General's discretionary authority to conduct other  
234 audits or engagements of governmental entities as authorized in  
235 subsection (3).

236 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The Auditor  
237 General may, pursuant to his or her own authority, or at the  
238 direction of the Legislative Auditing Committee, conduct audits  
239 or other engagements as determined appropriate by the Auditor  
240 General of:

241 (a) The accounts and records of any governmental entity  
242 created or established by law.

243 (b) The information technology programs, activities,  
244 functions, or systems of any governmental entity created or  
245 established by law.

246 (c) The accounts and records of any charter school created  
247 or established by law.

248 (d) The accounts and records of any direct-support  
249 organization or citizen support organization created or  
250 established by law. The Auditor General is authorized to require  
251 and receive any records from the direct-support organization or  
252 citizen support organization, or from its independent auditor.

253 (e) The public records associated with any appropriation  
254 made by the Legislature to a nongovernmental agency,  
255 corporation, or person. All records of a nongovernmental agency,  
256 corporation, or person with respect to the receipt and  
257 expenditure of such an appropriation shall be public records and  
258 shall be treated in the same manner as other public records are  
259 under general law.

260 (f) State financial assistance provided to any nonstate  
261 entity as defined by s. 215.97.

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262 (g) The Tobacco Settlement Financing Corporation created  
263 pursuant to s. 215.56005.

264 (h) Any purchases of federal surplus lands for use as sites  
265 for correctional facilities as described in s. 253.037.

266 (i) Enterprise Florida, Inc., including any of its boards,  
267 advisory committees, or similar groups created by Enterprise  
268 Florida, Inc., and programs. The audit report may not reveal the  
269 identity of any person who has anonymously made a donation to  
270 Enterprise Florida, Inc., pursuant to this paragraph. The  
271 identity of a donor or prospective donor to Enterprise Florida,  
272 Inc., who desires to remain anonymous and all information  
273 identifying such donor or prospective donor are confidential and  
274 exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I  
275 of the State Constitution. Such anonymity shall be maintained in  
276 the auditor's report.

277 (j) The Florida Development Finance Corporation or the  
278 capital development board or the programs or entities created by  
279 the board. The audit or report may not reveal the identity of  
280 any person who has anonymously made a donation to the board  
281 pursuant to this paragraph. The identity of a donor or  
282 prospective donor to the board who desires to remain anonymous  
283 and all information identifying such donor or prospective donor  
284 are confidential and exempt from the provisions of s. 119.07(1)  
285 and s. 24(a), Art. I of the State Constitution. Such anonymity  
286 shall be maintained in the auditor's report.

287 (k) The records pertaining to the use of funds from  
288 voluntary contributions on a motor vehicle registration  
289 application or on a driver's license application authorized  
290 pursuant to ss. 320.023 and 322.081.

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291 (l) The records pertaining to the use of funds from the  
292 sale of specialty license plates described in chapter 320.

293 (m) The transportation corporations under contract with the  
294 Department of Transportation that are acting on behalf of the  
295 state to secure and obtain rights-of-way for urgently needed  
296 transportation systems and to assist in the planning and design  
297 of such systems pursuant to ss. 339.401-339.421.

298 (n) The acquisitions and divestitures related to the  
299 Florida Communities Trust Program created pursuant to chapter  
300 380.

301 (o) The Florida Water Pollution Control Financing  
302 Corporation created pursuant to s. 403.1837.

303 (p) The school readiness system, including the early  
304 learning coalitions, created under s. 411.01.

305 (q) The Florida Special Disability Trust Fund Financing  
306 Corporation created pursuant to s. 440.49.

307 (r) Workforce Florida, Inc., or the programs or entities  
308 created by Workforce Florida, Inc., created pursuant to s.  
309 445.004.

310 (s) The corporation defined in s. 455.32 that is under  
311 contract with the Department of Business and Professional  
312 Regulation to provide administrative, investigative,  
313 examination, licensing, and prosecutorial support services in  
314 accordance with the provisions of s. 455.32 and the practice act  
315 of the relevant profession.

316 (t) The Florida Engineers Management Corporation created  
317 pursuant to chapter 471.

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

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320       (u)~~(v)~~ The books and records of any permitholder that  
321 conducts race meetings or jai alai exhibitions under chapter  
322 550.

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

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

327       (4) SCHEDULING AND STAFFING OF AUDITS.—

328       (a) Each financial audit required or authorized by this  
329 section, when practicable, shall be made and completed within  
330 not more than 9 months following the end of each audited fiscal  
331 year of the state agency or political subdivision, or at such  
332 lesser time which may be provided by law or concurrent  
333 resolution or directed by the Legislative Auditing Committee.  
334 When the Auditor General determines that conducting any audit or  
335 engagement otherwise required by law would not be possible due  
336 to workload or would not be an efficient or effective use of his  
337 or her resources based on an assessment of risk, then, in his or  
338 her discretion, the Auditor General may temporarily or  
339 indefinitely postpone such audits or other engagements for such  
340 period or any portion thereof, unless otherwise directed by the  
341 committee.

342       (b) The Auditor General may, when in his or her judgment it  
343 is necessary, designate and direct any auditor employed by the  
344 Auditor General to audit any accounts or records within the  
345 authority of the Auditor General to audit. The auditor shall  
346 report his or her findings for review by the Auditor General,  
347 who shall prepare the audit report.

348       (c) The audit report when final shall be a public record.

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349 The audit workpapers and notes are not a public record; however,  
350 those workpapers necessary to support the computations in the  
351 final audit report may be made available by a majority vote of  
352 the Legislative Auditing Committee after a public hearing  
353 showing proper cause. The audit workpapers and notes shall be  
354 retained by the Auditor General until no longer useful in his or  
355 her proper functions, after which time they may be destroyed.

356 (d) At the conclusion of the audit, the Auditor General or  
357 the Auditor General's designated representative shall discuss  
358 the audit with the official whose office is subject to audit and  
359 submit to that official a list of the Auditor General's findings  
360 which may be included in the audit report. If the official is  
361 not available for receipt of the list of audit findings, then  
362 delivery is presumed to be made when it is delivered to his or  
363 her office. The official shall submit to the Auditor General or  
364 the designated representative, within 30 days after the receipt  
365 of the list of findings, his or her written statement of  
366 explanation or rebuttal concerning all of the findings,  
367 including corrective action to be taken to preclude a recurrence  
368 of all findings.

369 (e) The Auditor General shall provide the successor  
370 independent certified public accountant of a district school  
371 board with access to the prior year's working papers in  
372 accordance with the Statements on Auditing Standards, including  
373 documentation of planning, internal control, audit results, and  
374 other matters of continuing accounting and auditing  
375 significance, such as the working paper analysis of balance  
376 sheet accounts and those relating to contingencies.

377 (5) PETITION FOR AN AUDIT BY THE AUDITOR GENERAL.—

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378 (a) The Legislative Auditing Committee shall direct the  
379 Auditor General to make an audit of any municipality whenever  
380 petitioned to do so by at least 20 percent of the registered  
381 electors in the last general election of that municipality  
382 pursuant to this subsection. The supervisor of elections of the  
383 county in which the municipality is located shall certify  
384 whether or not the petition contains the signatures of at least  
385 20 percent of the registered electors of the municipality. After  
386 the completion of the audit, the Auditor General shall determine  
387 whether the municipality has the fiscal resources necessary to  
388 pay the cost of the audit. The municipality shall pay the cost  
389 of the audit within 90 days after the Auditor General's  
390 determination that the municipality has the available resources.  
391 If the municipality fails to pay the cost of the audit, the  
392 Department of Revenue shall, upon certification of the Auditor  
393 General, withhold from that portion of the distribution pursuant  
394 to s. 212.20(6)(d)5. which is distributable to such  
395 municipality, a sum sufficient to pay the cost of the audit and  
396 shall deposit that sum into the General Revenue Fund of the  
397 state.

398 (b) At least one registered elector in the most recent  
399 general election must file a letter of intent with the municipal  
400 clerk prior to any petition of the electors of that municipality  
401 for the purpose of an audit. Each petition must be submitted to  
402 the supervisor of elections and contain, at a minimum:

- 403 1. The elector's printed name;
- 404 2. The signature of the elector;
- 405 3. The elector's residence address;
- 406 4. The elector's date of birth; and

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407 5. The date signed.

408

409 All petitions must be submitted for verification within 1  
410 calendar year after the audit petition origination by the  
411 municipal electors.

412 (6) REQUEST BY A LOCAL GOVERNMENTAL ENTITY FOR AN AUDIT BY  
413 THE AUDITOR GENERAL.—Whenever a local governmental entity  
414 requests the Auditor General to conduct an audit of all or part  
415 of its operations and the Auditor General conducts the audit  
416 under his or her own authority or at the direction of the  
417 Legislative Auditing Committee, the expenses of the audit shall  
418 be paid by the local governmental entity. The Auditor General  
419 shall estimate the cost of the audit. Fifty percent of the cost  
420 estimate shall be paid by the local governmental entity before  
421 the initiation of the audit and deposited into the General  
422 Revenue Fund of the state. After the completion of the audit,  
423 the Auditor General shall notify the local governmental entity  
424 of the actual cost of the audit. The local governmental entity  
425 shall remit the remainder of the cost of the audit to the  
426 Auditor General for deposit into the General Revenue Fund of the  
427 state. If the local governmental entity fails to comply with  
428 paying the remaining cost of the audit, the Auditor General  
429 shall notify the Legislative Auditing Committee. The committee  
430 shall proceed in accordance with s. 11.40(5).

431 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

432 (a) The Auditor General shall notify the Legislative  
433 Auditing Committee of any local governmental entity, district  
434 school board, charter school, or charter technical career center  
435 that does not comply with the reporting requirements of s.

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436 218.39. The committee shall proceed in accordance with s.  
437 11.40(5).

438 (b) The Auditor General, in consultation with the Board of  
439 Accountancy, shall review all audit reports submitted pursuant  
440 to s. 218.39. The Auditor General shall request any significant  
441 items that were omitted in violation of a rule adopted by the  
442 Auditor General. The items must be provided within 45 days after  
443 the date of the request. If the governmental entity does not  
444 comply with the Auditor General's request, the Auditor General  
445 shall notify the Legislative Auditing Committee. The committee  
446 shall proceed in accordance with s. 11.40(5).

447 (c) The Auditor General shall provide annually a list of  
448 those special districts which are not in compliance with s.  
449 218.39 to the Special District Information Program of the  
450 Department of Community Affairs.

451 (d) During the Auditor General's review of audit reports,  
452 he or she shall contact those units of local government, as  
453 defined in s. 218.403, that are not in compliance with s.  
454 218.415 and request evidence of corrective action. The unit of  
455 local government shall provide the Auditor General with evidence  
456 of corrective action within 45 days after the date it is  
457 requested by the Auditor General. If the unit of local  
458 government fails to comply with the Auditor General's request,  
459 the Auditor General shall notify the Legislative Auditing  
460 Committee. The committee shall proceed in accordance with s.  
461 11.40(5).

462 (e) The Auditor General shall notify the Governor or the  
463 Commissioner of Education, as appropriate, and the Legislative  
464 Auditing Committee of any audit report reviewed by the Auditor



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465 General pursuant to paragraph (b) which contains a statement  
466 that a local governmental entity, charter school, charter  
467 technical career center, or district school board has met one or  
468 more of the conditions specified in s. 218.503. If the Auditor  
469 General requests a clarification regarding information included  
470 in an audit report to determine whether a local governmental  
471 entity, charter school, charter technical career center, or  
472 district school board has met one or more of the conditions  
473 specified in s. 218.503, the requested clarification must be  
474 provided within 45 days after the date of the request. If the  
475 local governmental entity, charter school, charter technical  
476 career center, or district school board does not comply with the  
477 Auditor General's request, the Auditor General shall notify the  
478 Legislative Auditing Committee. If, after obtaining the  
479 requested clarification, the Auditor General determines that the  
480 local governmental entity, charter school, charter technical  
481 career center, or district school board has met one or more of  
482 the conditions specified in s. 218.503, he or she shall notify  
483 the Governor or the Commissioner of Education, as appropriate,  
484 and the Legislative Auditing Committee.

485 (f) The Auditor General shall annually compile and transmit  
486 to the President of the Senate, the Speaker of the House of  
487 Representatives, and the Legislative Auditing Committee a  
488 summary of significant findings and financial trends identified  
489 in audit reports reviewed in paragraph (b) or otherwise  
490 identified by the Auditor General's review of such audit reports  
491 and financial information, and identified in audits of district  
492 school boards conducted by the Auditor General. The Auditor  
493 General shall include financial information provided pursuant to

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494 s. 218.32(1)(e) for entities with fiscal years ending on or  
495 after June 30, 2003, within his or her reports submitted  
496 pursuant to this paragraph.

497 (g) If the Auditor General discovers significant errors,  
498 improper practices, or other significant discrepancies in  
499 connection with his or her audits of a state agency or state  
500 officer, the Auditor General shall notify the President of the  
501 Senate, the Speaker of the House of Representatives, and the  
502 Legislative Auditing Committee. The President of the Senate and  
503 the Speaker of the House of Representatives shall promptly  
504 forward a copy of the notification to the chairs of the  
505 respective legislative committees, which in the judgment of the  
506 President of the Senate and the Speaker of the House of  
507 Representatives are substantially concerned with the functions  
508 of the state agency or state officer involved. Thereafter, and  
509 in no event later than the 10th day of the next succeeding  
510 legislative session, the person in charge of the state agency  
511 involved, or the state officer involved, as the case may be,  
512 shall explain in writing to the President of the Senate, the  
513 Speaker of the House of Representatives, and to the Legislative  
514 Auditing Committee the reasons or justifications for such  
515 errors, improper practices, or other significant discrepancies  
516 and the corrective measures, if any, taken by the agency.

517 (h) The Auditor General shall annually compile and transmit  
518 to the President of the Senate, the Speaker of the House of  
519 Representatives, and the Legislative Auditing Committee by  
520 December 1 of each year a report that includes a projected 2-  
521 year work plan identifying the audit and other accountability  
522 activities to be undertaken and a list of statutory and fiscal

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523 changes recommended by the Auditor General. The Auditor General  
524 may also transmit recommendations at other times of the year  
525 when the information would be timely and useful for the  
526 Legislature.

527 (8) RULES OF THE AUDITOR GENERAL.—The Auditor General, in  
528 consultation with the Board of Accountancy, shall adopt rules  
529 for the form and conduct of all financial audits performed by  
530 independent certified public accountants pursuant to ss.  
531 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for  
532 audits of local governmental entities, charter schools, charter  
533 technical career centers, and district school boards must  
534 include, but are not limited to, requirements for the reporting  
535 of information necessary to carry out the purposes of the Local  
536 Governmental Entity, Charter School, Charter Technical Career  
537 Center, and District School Board Financial Emergencies Act as  
538 stated in s. 218.501.

539 (9) TECHNICAL ADVICE PROVIDED BY THE AUDITOR GENERAL.—The  
540 Auditor General may provide technical advice to:

541 (a) The Department of Education in the development of a  
542 compliance supplement for the financial audit of a district  
543 school board conducted by an independent certified public  
544 accountant.

545 (b) Governmental entities on their financial and accounting  
546 systems, procedures, and related matters.

547 (c) Governmental entities on promoting the building of  
548 competent and efficient accounting and internal audit  
549 organizations in their offices.

550 Section 2. Section 25.075, Florida Statutes, is amended to  
551 read:

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552 25.075 Uniform case reporting system.—

553 (1) The Supreme Court shall develop a uniform case  
554 reporting system, including a uniform means of reporting  
555 categories of cases, time required in the disposition of cases,  
556 and manner of disposition of cases.

557 (2) If any clerk ~~shall~~ willfully fails ~~fail~~ to report to  
558 the Supreme Court as directed by the court, the clerk shall be  
559 guilty of misfeasance in office.

560 ~~(3) The Auditor General shall audit the reports made to the~~  
561 ~~Supreme Court in accordance with the uniform system established~~  
562 ~~by the Supreme Court.~~

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

565 28.35 Florida Clerks of Court Operations Corporation.—

566 (5) ~~(a) The corporation shall submit an annual audited~~  
567 ~~financial statement to the Auditor General in a form and manner~~  
568 ~~prescribed by the Auditor General. The Auditor General shall~~  
569 ~~conduct an annual audit of the operations of the corporation,~~  
570 ~~including the use of funds and compliance with the provisions of~~  
571 ~~this section and ss. 28.36 and 28.37.~~

572 ~~(b)~~ Certified public accountants conducting audits of  
573 counties pursuant to s. 218.39 shall report, as part of the  
574 audit, whether or not the clerks of the courts have complied  
575 with the requirements of this section and s. 28.36. In addition,  
576 each clerk of court shall forward a copy of the portion of the  
577 financial audit relating to the court-related duties of the  
578 clerk of court to the Supreme Court. The Auditor General shall  
579 develop a compliance supplement for the audit of compliance with  
580 the budgets and applicable performance standards certified by

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581 the corporation.

582 Section 4. Subsection (7) of section 195.096, Florida  
583 Statutes, is repealed.

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

586 218.31 Definitions.—As used in this part, except where the  
587 context clearly indicates a different meaning:

588 (17) "Financial audit" means an examination of financial  
589 statements in order to express an opinion on the fairness with  
590 which they are presented in conformity with generally accepted  
591 accounting principles and an examination to determine whether  
592 operations are properly conducted in accordance with legal and  
593 regulatory requirements. Financial audits must be conducted in  
594 accordance with auditing standards generally accepted in the  
595 United States ~~auditing standards~~ and government auditing  
596 standards as adopted by the Board of Accountancy and as  
597 prescribed by rules promulgated by the Auditor General. When  
598 applicable, the scope of financial audits shall encompass the  
599 additional activities necessary to establish compliance with the  
600 Single Audit Act Amendments of 1996, 31 U.S.C. ss. 7501-7507 and  
601 other applicable federal law.

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

604 273.05 Surplus property.—

605 (5) The custodian shall maintain records of property that  
606 is certified as surplus with information indicating the value  
607 and condition of the property. Agency records for property  
608 certified as surplus shall comply with rules issued by the Chief  
609 Financial Officer ~~Auditor General~~.

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610 Section 7. Subsection (3) of section 365.173, Florida  
611 Statutes, is repealed.

612 Section 8. Subsection (3) of section 943.25, Florida  
613 Statutes, is repealed.

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

616 1002.36 Florida School for the Deaf and the Blind.—

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

622 Section 10. Subsection (5) of section 1009.53, Florida  
623 Statutes, is amended to read:

624 1009.53 Florida Bright Futures Scholarship Program.—

625 (5) The department shall issue awards from the scholarship  
626 program annually. Annual awards may be for up to 45 semester  
627 credit hours or the equivalent. Before the registration period  
628 each semester, the department shall transmit payment for each  
629 award to the president or director of the postsecondary  
630 education institution, or his or her representative, except that  
631 the department may withhold payment if the receiving institution  
632 fails to report or to make refunds to the department as required  
633 in this section.

634 (a) Within 30 days after the end of regular registration  
635 each semester, the educational institution shall certify to the  
636 department the eligibility status of each student who receives  
637 an award. After the end of the drop and add period, an  
638 institution is not required to reevaluate or revise a student's

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639 eligibility status; however, an institution must make a refund  
640 to the department within 30 days after the end of the semester  
641 of any funds received for courses dropped by a student or  
642 courses from which a student has withdrawn after the end of the  
643 drop and add period, unless the student has been granted an  
644 exception by the department pursuant to subsection (11).

645 (b) An institution that receives funds from the program  
646 shall certify to the department the amount of funds disbursed to  
647 each student and shall remit to the department any undisbursed  
648 advances within 60 days after the end of regular registration.

649 (c) Each institution that receives moneys through this  
650 program shall provide for a ~~prepare an annual report that~~  
651 ~~includes an annual~~ financial audit, as defined in s. 11.45,  
652 conducted by an independent certified public accountant or the  
653 Auditor General for each fiscal year in which the institution  
654 expends program moneys in excess of \$100,000. At least every 2  
655 years, the audit ~~report~~ shall include an examination ~~audit~~ of  
656 the institution's administration of the program and the  
657 institution's a-complete accounting of the moneys for the  
658 program since the last examination of the institution's  
659 administration of the program. The ~~This~~ report on the audit must  
660 be submitted to the department within 9 months after the end of  
661 the fiscal year ~~annually by March 1~~. The department may conduct  
662 its own annual audit of an institution's administration of the  
663 program. The department may request a refund of any moneys  
664 overpaid to the institution for the program. The department may  
665 suspend or revoke an institution's eligibility to receive future  
666 moneys for the program if the department finds that an  
667 institution has not complied with this section. The institution

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668 must remit within 60 days any refund requested in accordance  
669 with this subsection.

670 (d) Any institution that is not subject to an audit  
671 pursuant to this subsection shall attest, under penalty of  
672 perjury, that the moneys were used in compliance with law. The  
673 attestation shall be made annually in a form and format  
674 determined by the department.

675 Section 11. For the purpose of incorporating the amendment  
676 made by this act to section 11.45, Florida Statutes, in a  
677 reference thereto, subsection (3) of section 11.40, Florida  
678 Statutes, is reenacted to read:

679 11.40 Legislative Auditing Committee.-

680 (3) The Legislative Auditing Committee may direct the  
681 Auditor General or the Office of Program Policy Analysis and  
682 Government Accountability to conduct an audit, review, or  
683 examination of any entity or record described in s. 11.45(2) or  
684 (3).

685 Section 12. This act shall take effect July 1, 2011.