

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Insurance & Banking
 2 Subcommittee

3 Representative Richardson offered the following:

4
 5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Paragraph (i) of subsection (6) of section
 8 627.351, Florida Statutes, is amended to read, and paragraph
 9 (gg) is added to that subsection, to read:

10 627.351 Insurance risk apportionment plans.—

11 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

12 (i)1. The Office of the Internal Auditor is established
 13 within the corporation to provide a central point for
 14 coordination of and responsibility for activities that promote
 15 accountability, integrity, and efficiency to the policyholders
 16 and to the taxpayers of this state. The internal auditor shall
 17 be appointed by the board of governors, shall report to and be
 18 under the general supervision of the board of governors, and is
 19 not subject to supervision by any employee of the corporation.

20 Administrative staff and support shall be provided by the

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21 corporation. The internal auditor shall be appointed without
22 regard to political affiliation. It is the duty and
23 responsibility of the internal auditor to:

24 a. Provide direction for, supervise, conduct, and
25 coordinate audits, investigations, and management reviews
26 relating to the programs and operations of the corporation.

27 b. Conduct, supervise, or coordinate other activities
28 carried out or financed by the corporation for the purpose of
29 promoting efficiency in the administration of, or preventing and
30 detecting fraud, abuse, and mismanagement in, its programs and
31 operations.

32 c. Submit final audit reports, reviews, or investigative
33 reports to the board of governors, the executive director, the
34 members of the Financial Services Commission, and the President
35 of the Senate and the Speaker of the House of Representatives.

36 d. Keep the board of governors informed concerning fraud,
37 abuses, and internal control deficiencies relating to programs
38 and operations administered or financed by the corporation,
39 recommend corrective action, and report on the progress made in
40 implementing corrective action.

41 e. Report expeditiously to the Department of Law
42 Enforcement or other law enforcement agencies, as appropriate,
43 whenever the internal auditor has reasonable grounds to believe
44 there has been a violation of criminal law.

45 2. On or before February 15, the internal auditor shall
46 prepare an annual report evaluating the effectiveness of the
47 internal controls of the corporation and providing
48 recommendations for corrective action, if necessary, and

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49 summarizing the audits, reviews, and investigations conducted by
50 the office during the preceding fiscal year. The final report
51 shall be furnished to the board of governors and the executive
52 director, the President of the Senate, the Speaker of the House
53 of Representatives, and the Financial Services Commission.

54 f. Cooperate and coordinate activities with the
55 corporation's inspector general.

56 (gg) The Office of Inspector General is established within
57 the corporation to provide a central point for coordination of
58 and responsibility for activities that promote accountability,
59 integrity, and efficiency. The office shall be headed by an
60 inspector general, which is a senior management position that
61 involves planning, coordinating, and performing activities
62 assigned to and assumed by the inspector general for the
63 corporation.

64 1. The inspector general shall be appointed by the
65 Financial Services Commission and may be removed from office
66 only by the commission. The inspector general shall be appointed
67 without regard to political affiliation.

68 a. At a minimum, the inspector general must possess a
69 bachelor's degree from an accredited college or university and 8
70 years of professional experience related to the duties of an
71 inspector general as described in this paragraph, of which 5
72 years must have been at a supervisory level.

73 b. The inspector general shall report to, and be under the
74 supervision of, the chair of the board of governors. The
75 executive director or corporation staff may not prevent or
76 prohibit the inspector general from initiating, carrying out, or

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77 completing any review, evaluation, or investigation.

78 2. The inspector general shall initiate, direct,
79 coordinate, participate in, and perform studies, reviews,
80 evaluations, and investigations designed to assess management
81 practices; compliance with laws, rules, and policies; and
82 program effectiveness and efficiency. This includes:

83 a. Conducting internal examinations; investigating
84 allegations of fraud, waste, abuse, malfeasance, mismanagement,
85 employee misconduct, or violations of corporation policies; and
86 conducting any other investigations as directed by the Financial
87 Services Commission or as independently determined.

88 b. Evaluating and recommending actions regarding security,
89 the ethical behavior of personnel and vendors, and compliance
90 with rules, laws, policies, and personnel matters; and rendering
91 ethics opinions.

92 c. Overseeing or participating in personnel and
93 administrative policy compliance and management, operational
94 reviews, and conducting and selecting human resources-related
95 advice and consultation.

96 d. Evaluating the application of a corporation code of
97 ethics, providing input on the design and content of ethics-
98 related policy training courses, educating employees on the code
99 and on appropriate conduct, and checking for compliance.

100 e. Participating in policy development and review,
101 including the creation, modification, and maintenance of
102 personnel and administrative services policies and in the
103 identification of policy enhancements; and researching policy-
104 related issues.

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105 f. Participating in the activities of the senior
106 management team and evaluating the management's compliance with
107 recommended solutions.

108 g. Cooperating and coordinating activities with the chief
109 of internal audit, but not conducting internal audits.

110 h. Maintaining records of investigations and discipline in
111 accordance with established policies.

112 i. Supervising and directing the tasks and assignments of
113 the staff assigned to assist with the inspector general's
114 projects. This includes regular review and feedback regarding
115 work in progress and upon completion and providing input
116 regarding relevant training and staff development activities as
117 warranted.

118 j. Directing, planning, preparing, and presenting interim
119 and final reports and oral briefings to the Financial Services
120 Commission and the executive director which communicate the
121 results of studies, reviews, and investigations.

122 k. Providing the executive director with independent and
123 objective assessments of programs and activities.

124 l. Completing special projects and assignments as directed
125 by the Financial Services Commission and performing other duties
126 as requested by the commission.

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128 Section 2. This act shall take effect July 1, 2013.
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T I T L E A M E N D M E N T

Remove everything before the enacting clause and insert:
An act relating to inspector general of Citizens Property
Insurance Corporation; amending s. 627.351, F.S.; requiring
cooperation and coordination between the inspector general and
the internal auditor of the corporation; requiring the
corporation to have an inspector general; providing for
appointment; providing duties; providing an effective date.