

1 A bill to be entitled

2 An act relating to government accountability; amending
3 s. 11.45, F.S., relating to the duties of the Auditor
4 General; revising various audit provisions to include
5 district school boards or exclude water management
6 districts; amending ss. 20.05, 25.382, 28.35, 43.16,
7 218.33, and 1002.33, F.S.; revising the
8 responsibilities of department heads, the Supreme
9 Court as it relates to the state courts system, the
10 Florida Clerks of Court Operations Corporation, the
11 Justice Administrative Commission, each state
12 attorney, each public defender, criminal conflict and
13 civil regional counsel, capital collateral counsel,
14 the Guardian Ad Litem program, local governmental
15 entities, and governing bodies of charter schools to
16 include the establishment of certain internal
17 controls; amending s. 20.055, F.S.; revising the
18 definition of the term "agency head"; amending s.
19 215.985, F.S.; specifying water management district
20 requirements for a monthly financial statement;
21 amending s. 373.536, F.S.; deleting obsolete language;
22 amending s. 1001.42, F.S.; revising the
23 responsibilities of a district school board's internal
24 auditor to permit certain audits and reviews; amending
25 s. 1010.01, F.S.; requiring each Florida College
26 System institution to file certain annual financial

27 statements with the State Board of Education;
28 requiring each school district, Florida College System
29 institution, and state university to establish certain
30 internal controls; providing legislative findings;
31 declaring that the act fulfills an important state
32 interest; providing an effective date.

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34 Be It Enacted by the Legislature of the State of Florida:

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36 Section 1. Paragraph (j) of subsection (2) and paragraph
37 (j) of subsection (7) of section 11.45, Florida Statutes, are
38 amended to read:

39 11.45 Definitions; duties; authorities; reports; rules.—

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

41 (j) Conduct audits of local governmental entities when
42 determined to be necessary by the Auditor General, when directed
43 by the Legislative Auditing Committee, or when otherwise
44 required by law. No later than 18 months after the release of
45 the audit report, the Auditor General shall perform such
46 appropriate followup procedures as he or she deems necessary to
47 determine the audited entity's progress in addressing the
48 findings and recommendations contained within the Auditor
49 General's previous report. The Auditor General shall notify each
50 member of the audited entity's governing body and the
51 Legislative Auditing Committee of the results of his or her
52 determination. For purposes of this paragraph, local

53 governmental entities do not include water management districts.

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55 The Auditor General shall perform his or her duties
56 independently but under the general policies established by the
57 Legislative Auditing Committee. This subsection does not limit
58 the Auditor General's discretionary authority to conduct other
59 audits or engagements of governmental entities as authorized in
60 subsection (3).

61 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

62 (j) The Auditor General shall notify the Legislative
63 Auditing Committee of any financial or operational audit report
64 prepared pursuant to this section which indicates that a
65 district school board, state university, or Florida College
66 System institution has failed to take full corrective action in
67 response to a recommendation that was included in the two
68 preceding financial or operational audit reports.

69 1. The committee may direct the governing body of the
70 district school board, state university, or Florida College
71 System institution to provide a written statement to the
72 committee explaining why full corrective action has not been
73 taken or, if the governing body intends to take full corrective
74 action, describing the corrective action to be taken and when it
75 will occur.

76 2. If the committee determines that the written statement
77 is not sufficient, the committee may require the chair of the
78 governing body of the district school board, state university,

79 or Florida College System institution, or the chair's designee,
80 to appear before the committee.

81 3. If the committee determines that the district school
82 board, state university, or Florida College System institution
83 has failed to take full corrective action for which there is no
84 justifiable reason or has failed to comply with committee
85 requests made pursuant to this section, the committee shall
86 refer the matter to the State Board of Education or the Board of
87 Governors, as appropriate, to proceed in accordance with s.
88 1008.32 or s. 1008.322, respectively.

89 Section 2. Paragraphs (g) and (h) of subsection (1) of
90 section 20.05, Florida Statutes, are amended, and paragraph (i)
91 is added to that subsection, to read:

92 20.05 Heads of departments; powers and duties.—

93 (1) Each head of a department, subject to the allotment of
94 executive power under Article IV of the State Constitution, and
95 except as otherwise provided by law, must:

96 (g) If a department is under the direct supervision of a
97 board, including a board consisting of the Governor and Cabinet,
98 however designated, employ an executive director to serve at its
99 pleasure; ~~and~~

100 (h) Make recommendations concerning more effective
101 internal structuring of the department to the Legislature.
102 Unless otherwise required by law, such recommendations must be
103 provided to the Legislature at least 30 days before the first
104 day of the regular session at which they are to be considered,

105 when practicable; and
 106 (i) Establish and maintain internal controls designed to
 107 prevent and detect fraud, waste, and abuse; to ensure the
 108 administration of assigned public duties and responsibilities in
 109 accordance with applicable laws, rules, contracts, grant
 110 agreements, and best practices; to promote and encourage
 111 economic and efficient operations; to ensure the reliability of
 112 financial records and reports; and to safeguard assets.

113 Section 3. Paragraph (b) of subsection (1) of section
 114 20.055, Florida Statutes, is amended to read:

115 20.055 Agency inspectors general.—

116 (1) For the purposes of this section:

117 (b) "Agency head" means the Governor, a Cabinet officer, a
 118 secretary as defined in s. 20.03(5), or an executive director as
 119 defined in s. 20.03(6). It also includes the chair of the Public
 120 Service Commission, the Director of the Office of Insurance
 121 Regulation of the Financial Services Commission, the Director of
 122 the Office of Financial Regulation of the Financial Services
 123 Commission, the chair of the board of directors of the Florida
 124 Housing Finance Corporation, and the Chief Justice of the ~~State~~
 125 Supreme Court.

126 Section 4. Subsection (5) is added to section 25.382,
 127 Florida Statutes, to read:

128 25.382 State courts system.—

129 (5) The Supreme Court shall ensure that the state courts
 130 system establishes and maintains internal controls designed to

131 prevent and detect fraud, waste, and abuse; to ensure the
132 administration of assigned public duties and responsibilities in
133 accordance with applicable laws, rules, contracts, grant
134 agreements, and best practices; to promote and encourage
135 economic and efficient operations; to ensure the reliability of
136 financial records and reports; and to safeguard assets.

137 Section 5. Paragraph (i) is added to subsection (2) of
138 section 28.35, Florida Statutes, to read:

139 28.35 Florida Clerks of Court Operations Corporation.—

140 (2) The duties of the corporation shall include the
141 following:

142 (i) Establishing and maintaining internal controls
143 designed to prevent and detect fraud, waste, and abuse; to
144 ensure the administration of assigned public duties and
145 responsibilities in accordance with applicable laws, rules,
146 contracts, grant agreements, and best practices; to promote and
147 encourage economic and efficient operations; to ensure the
148 reliability of financial records and reports; and to safeguard
149 assets.

150 Section 6. Subsections (6) and (7) of section 43.16,
151 Florida Statutes, are renumbered as subsections (7) and (8),
152 respectively, and a new subsection (6) is added to that section
153 to read:

154 43.16 Justice Administrative Commission; membership,
155 powers and duties.—

156 (6) The commission, each state attorney, each public

157 defender, criminal conflict and civil regional counsel, capital
 158 collateral regional counsel, and the Guardian Ad Litem program
 159 must establish and maintain internal controls designed to
 160 prevent and detect fraud, waste, and abuse; to ensure the
 161 administration of assigned public duties and responsibilities in
 162 accordance with applicable laws, rules, contracts, grant
 163 agreements, and best practices; to promote and encourage
 164 economic and efficient operations; to ensure the reliability of
 165 financial records and reports; and to safeguard assets.

166 Section 7. Subsection (11) of section 215.985, Florida
 167 Statutes, is amended to read:

168 215.985 Transparency in government spending.—

169 (11) Each water management district shall provide a
 170 monthly financial statement in the form and manner prescribed by
 171 the Department of Financial Services to the district's its
 172 governing board and make such monthly financial statement
 173 available for public access on its website.

174 Section 8. Subsection (3) of section 218.33, Florida
 175 Statutes, is renumbered as subsection (4), and a new subsection
 176 (3) is added to that section to read:

177 218.33 Local governmental entities; establishment of
 178 uniform fiscal years and accounting practices and procedures.—

179 (3) Each local governmental entity must establish and
 180 maintain internal controls designed to prevent and detect fraud,
 181 waste, and abuse; to ensure the administration of assigned
 182 public duties and responsibilities in accordance with applicable

183 laws, rules, contracts, grant agreements, and best practices; to
 184 promote and encourage economic and efficient operations; to
 185 ensure the reliability of financial records and reports; and to
 186 safeguard assets.

187 Section 9. Paragraph (e) of subsection (4) of section
 188 373.536, Florida Statutes, is amended to read:

189 373.536 District budget and hearing thereon.—

190 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

191 (e) ~~By September 1, 2012,~~ Each district shall provide a
 192 monthly financial statement in the form and manner prescribed by
 193 the Department of Financial Services to the district's governing
 194 board and make such monthly financial statement available for
 195 public access on its website.

196 Section 10. Paragraph (1) of subsection (12) of section
 197 1001.42, Florida Statutes, is amended to read:

198 1001.42 Powers and duties of district school board.—The
 199 district school board, acting as a board, shall exercise all
 200 powers and perform all duties listed below:

201 (12) FINANCE.—Take steps to assure students adequate
 202 educational facilities through the financial procedure
 203 authorized in chapters 1010 and 1011 and as prescribed below:

204 (1) Internal auditor.—May employ an internal auditor to
 205 perform ongoing financial verification of the financial records
 206 of the school district and such other audits and reviews as the
 207 district school board directs for the purpose of establishing
 208 and maintaining internal controls designed to prevent and detect

209 fraud, waste, and abuse; to ensure the administration of
 210 assigned public duties and responsibilities in accordance with
 211 applicable laws, rules, contracts, grant agreements, school
 212 board-approved policies, and best practices; to promote and
 213 encourage economic and efficient operations; to ensure the
 214 reliability of financial records and reports; and to safeguard
 215 assets. The internal auditor shall report directly to the
 216 district school board or its designee.

217 Section 11. Paragraph (j) of subsection (9) of section
 218 1002.33, Florida Statutes, is amended to read:

219 1002.33 Charter schools.—

220 (9) CHARTER SCHOOL REQUIREMENTS.—

221 (j) The governing body of the charter school shall be
 222 responsible for:

223 1. Establishing and maintaining internal controls designed
 224 to prevent and detect fraud, waste, and abuse; to ensure the
 225 administration of assigned public duties and responsibilities in
 226 accordance with applicable laws, rules, contracts, grant
 227 agreements, and best practices; to promote and encourage
 228 economic and efficient operations; to ensure the reliability of
 229 financial records and reports; and to safeguard assets.

230 ~~2.1-~~ Ensuring that the charter school has retained the
 231 services of a certified public accountant or auditor for the
 232 annual financial audit, pursuant to s. 1002.345(2), who shall
 233 submit the report to the governing body.

234 ~~3.2-~~ Reviewing and approving the audit report, including

235 audit findings and recommendations for the financial recovery
 236 plan.

237 ~~4.a.3.a.~~ Performing the duties in s. 1002.345, including
 238 monitoring a corrective action plan.

239 b. Monitoring a financial recovery plan in order to ensure
 240 compliance.

241 ~~5.4.~~ Participating in governance training approved by the
 242 department which must include government in the sunshine,
 243 conflicts of interest, ethics, and financial responsibility.

244 Section 12. Subsections (3) and (4) of section 1010.01,
 245 Florida Statutes, are renumbered as subsections (4) and (5),
 246 respectively, and new subsections (3) and (6) are added to that
 247 section to read:

248 1010.01 Uniform records and accounts.—

249 (3) Each Florida College System institution shall annually
 250 file with the State Board of Education financial statements
 251 prepared in conformity with accounting principles generally
 252 accepted by the United States and the uniform classification of
 253 accounts prescribed by the State Board of Education. The State
 254 Board of Education's rules shall prescribe the filing deadline
 255 for the financial statements.

256 (6) Each school district, Florida College System
 257 institution, and state university shall establish and maintain
 258 internal controls designed to prevent and detect fraud, waste,
 259 and abuse; to ensure the administration of assigned public
 260 duties and responsibilities in accordance with applicable laws,

261 rules, contracts, grant agreements, and best practices; to
262 promote and encourage economic and efficient operations; to
263 ensure the reliability of financial records and reports; and to
264 safeguard assets.

265 Section 13. The Legislature finds that a proper and
266 legitimate state purpose is served when internal controls are
267 established to prevent and detect fraud, waste, and abuse and to
268 safeguard and account for government funds and property.
269 Therefore, the Legislature determines and declares that this act
270 fulfills an important state interest.

271 Section 14. This act shall take effect July 1, 2014.