

By the Committee on Governmental Oversight and Accountability;
and Senator Latvala

585-03740-14

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1 A bill to be entitled
2 An act relating to inspectors general; amending s.
3 14.32, F.S.; requiring that the Chief Inspector
4 General be confirmed by the Senate; requiring the
5 Chief Inspector General to provide independent legal
6 counsel for specified state agencies; amending s.
7 20.055, F.S.; revising provisions relating to the
8 duties, appointment, and removal of agency inspectors
9 general; updating a cross-reference; providing an
10 effective date.

11
12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. Subsection (1) and paragraph (e) of subsection
15 (2) of section 14.32, Florida Statutes, are amended to read:

16 14.32 Office of Chief Inspector General.—

17 (1) There is created in the Executive Office of the
18 Governor the Office of Chief Inspector General. The Chief
19 Inspector General is ~~shall be~~ responsible for promoting
20 accountability, integrity, and efficiency in the agencies under
21 the jurisdiction of the Governor. The Chief Inspector General
22 shall be appointed by the Governor, subject to confirmation by
23 the Senate, and shall serve at the pleasure of the Governor.

24 (2) The Chief Inspector General shall:

25 (e) Coordinate complaint-handling activities with agencies
26 and provide for independent legal counsel for inspectors general
27 in agencies under the jurisdiction of the Governor.

28 Section 2. Subsections (2), (3), (5), (7), and (8) of
29 section 20.055, Florida Statutes, are amended to read:

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30 20.055 Agency inspectors general.—

31 (2) The Office of Inspector General is hereby established
32 in each state agency to provide a central point for coordination
33 of and responsibility for activities that promote
34 accountability, integrity, and efficiency in government. ~~It~~
35 ~~shall be the duty and responsibility of~~ Each inspector general,
36 with respect to the state agency in which the office is
37 established, shall ~~to~~:

38 (a) Advise in the development of performance measures,
39 standards, and procedures for the evaluation of state agency
40 programs.

41 (b) Assess the reliability and validity of the information
42 provided by the state agency on performance measures and
43 standards, and make recommendations for improvement, if
44 necessary, before ~~prior to~~ submission of such information ~~these~~
45 ~~measures and standards to the Executive Office of the Governor~~
46 pursuant to s. 216.1827 ~~s. 216.0166(1)~~.

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

50 (d) Provide direction for, supervise, and coordinate
51 audits, investigations, and management reviews relating to the
52 programs and operations of the state agency, except that when
53 the inspector general does not possess the qualifications
54 specified in subsection (4), the director of auditing shall
55 conduct such audits.

56 (e) Conduct, supervise, or coordinate other activities
57 carried out or financed by that state agency for the purpose of
58 promoting economy and efficiency in the administration of, or

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59 preventing and detecting fraud and abuse in, its programs and
60 operations.

61 (f) Keep the such agency head and, for state agencies under
62 the jurisdiction of the Governor, the Chief Inspector General,
63 informed concerning fraud, abuses, and deficiencies relating to
64 programs and operations administered or financed by the state
65 agency, recommend corrective action concerning fraud, abuses,
66 and deficiencies, and report on the progress made in
67 implementing corrective action.

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

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

74 (i) Ensure that an appropriate balance is maintained
75 between audit, investigative, and other accountability
76 activities.

77 (j) Comply with the General Principles and Standards for
78 Offices of Inspector General as published and revised by the
79 Association of Inspectors General.

80 (3) (a) For state agencies under the jurisdiction of the
81 Governor, the inspector general shall be appointed by the Chief
82 Inspector General ~~agency head~~. For all other state agencies
83 ~~under the direction of the Governor, the inspector general shall~~
84 be appointed by the agency head. The agency head or Chief
85 Inspector General shall notify ~~appointment shall be made after~~
86 ~~notifying the Governor and the Chief Inspector General in~~
87 writing, ~~at least 7 days prior to an offer of employment,~~ of his

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88 or her the agency head's intention to hire the inspector general
89 at least 7 days before an offer of employment. The inspector
90 general shall be appointed without regard to political
91 affiliation.

92 (b) The ~~Each~~ inspector general shall report to and be under
93 the general supervision of the agency head and is shall not be
94 subject to supervision by any other employee of the state agency
95 in which the office is established. In addition, for state
96 agencies under the jurisdiction of the Governor, the inspector
97 general shall report to the Chief Inspector General, and may
98 hire and remove staff within the office of the inspector general
99 in consultation with the Chief Inspector General but
100 independently of the agency ~~The inspector general shall be~~
101 ~~appointed without regard to political affiliation.~~

102 (c) 1. For state agencies under the jurisdiction of the
103 Governor, the ~~An~~ inspector general may be removed from office by
104 the Chief Inspector General for cause, including concerns
105 regarding performance, malfeasance, misfeasance, misconduct, or
106 failure to carry out his or her duties under this section ~~agency~~
107 ~~head. The Chief Inspector General~~ ~~For agencies under the~~
108 ~~direction of the Governor, the agency head~~ shall notify the
109 Governor ~~and the Chief Inspector General,~~ in writing, of his or
110 her the intention to terminate the inspector general at least 21
111 7 days before prior to the removal. If the inspector general
112 objects to the removal, the inspector general may present
113 written objections to the agency head or the Governor within the
114 21 day period.

115 2. For all other state agencies ~~under the direction of the~~
116 ~~Governor and Cabinet,~~ the inspector general may be removed from

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117 office by the agency head. ~~The agency head shall notify the~~
118 ~~Governor and Cabinet in writing of the intention to terminate~~
119 ~~the inspector general at least 7 days prior to the removal.~~

120 (d) The Governor, the Governor and Cabinet, the agency
121 head, or agency staff ~~may shall~~ not prevent or prohibit the
122 inspector general from initiating, carrying out, or completing
123 any audit or investigation.

124 (e) The Office of Inspector General shall have its own
125 budget within the respective state agency, developed in
126 consultation with the Chief Inspector General, sufficient to
127 meet its mission.

128 (5) In carrying out the auditing duties and
129 responsibilities in this section ~~of this act~~, each inspector
130 general shall review and evaluate internal controls necessary to
131 ensure the fiscal accountability of the state agency. The
132 inspector general shall conduct financial, compliance,
133 electronic data processing, and performance audits of the agency
134 and prepare audit reports of his or her findings. The scope and
135 assignment of the audits shall be determined by the inspector
136 general; however, the agency head may at any time direct the
137 inspector general to perform an audit of a special program,
138 function, or organizational unit. The performance of the audit
139 shall be under the direction of the inspector general, except
140 that if the inspector general does not possess the
141 qualifications specified in subsection (4), the director of
142 auditing shall perform the functions listed in this subsection.

143 (a) Such audits shall be conducted in accordance with the
144 current International Standards for the Professional Practice of
145 Internal Auditing as published by the Institute of Internal

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146 Auditors, Inc., or, where appropriate, in accordance with
147 generally accepted governmental auditing standards. All audit
148 reports issued by internal audit staff shall include a statement
149 that the audit was conducted pursuant to the appropriate
150 standards.

151 (b) Audit workpapers and reports shall be public records to
152 the extent that they do not include information which has been
153 made confidential and exempt from the provisions of s. 119.07(1)
154 pursuant to law. However, when the inspector general or a member
155 of the staff receives from an individual a complaint or
156 information that falls within the definition provided in s.
157 112.3187(5), the name or identity of the individual shall not be
158 disclosed to anyone else without the written consent of the
159 individual, unless the inspector general determines that such
160 disclosure is unavoidable during the course of the audit or
161 investigation.

162 (c) The inspector general and the staff shall have access
163 to any records, data, and other information of the state agency
164 he or she deems necessary to carry out his or her duties. The
165 inspector general is also authorized to request such information
166 or assistance as may be necessary from the state agency or from
167 any federal, state, or local government entity.

168 (d) At the conclusion of each audit, the inspector general
169 shall submit preliminary findings and recommendations to the
170 person responsible for supervision of the program function or
171 operational unit who shall respond to any adverse findings
172 within 20 working days after receipt of the preliminary
173 findings. Such response and the inspector general's rebuttal to
174 the response shall be included in the final audit report.

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175 (e) At the conclusion of an audit in which the subject of
176 the audit is a specific entity contracting with the state or an
177 individual substantially affected, if the audit is not
178 confidential or otherwise exempt from disclosure by law, the
179 inspector general shall, consistent with s. 119.07(1), submit
180 the findings to the entity contracting with the state or the
181 individual substantially affected, who shall be advised in
182 writing that they may submit a written response within 20
183 working days after receipt of the findings. The response and the
184 inspector general's rebuttal to the response, if any, must be
185 included in the final audit report.

186 (f) The inspector general shall submit the final report to
187 the agency head, ~~and to the Auditor General, and, for state~~
188 agencies under the jurisdiction of the Governor, the Chief
189 Inspector General.

190 (g) The Auditor General, in connection with the independent
191 postaudit of the same agency pursuant to s. 11.45, shall give
192 appropriate consideration to internal audit reports and the
193 resolution of findings therein. The Legislative Auditing
194 Committee may inquire into the reasons or justifications for
195 failure of the agency head to correct the deficiencies reported
196 in internal audits that are also reported by the Auditor General
197 and shall take appropriate action.

198 (h) The inspector general shall monitor the implementation
199 of the state agency's response to any report on the state agency
200 issued by the Auditor General or by the Office of Program Policy
201 Analysis and Government Accountability. No later than 6 months
202 after the Auditor General or the Office of Program Policy
203 Analysis and Government Accountability publishes a report on the

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204 state agency, the inspector general shall provide a written
205 response to the agency head on the status of corrective actions
206 taken. The Inspector General shall file a copy of such response
207 with the Legislative Auditing Committee.

208 (i) The inspector general shall develop long-term and
209 annual audit plans based on the findings of periodic risk
210 assessments. If appropriate, the plan ~~must,~~ ~~where appropriate,~~
211 ~~should~~ include postaudit samplings of payments and accounts. The
212 plan shall show the individual audits to be conducted during
213 each year and related resources to be devoted to the respective
214 audits. The Chief Financial Officer, to assist in fulfilling the
215 responsibilities for examining, auditing, and settling accounts,
216 claims, and demands pursuant to s. 17.03(1), and examining,
217 auditing, adjusting, and settling accounts pursuant to s. 17.04,
218 may use ~~utilize~~ audits performed by the inspectors general and
219 internal auditors. For state agencies under the jurisdiction of
220 the Governor, the audit plans shall be submitted to the agency
221 head for review and to the ~~Governor's~~ Chief Inspector General.
222 The plan shall be submitted to the agency head for approval. For
223 all other state agencies, the plan shall be submitted to the
224 agency head for approval. A copy of the approved plan shall be
225 submitted to the Auditor General.

226 (7) (a) Except as provided in paragraph (b), each inspector
227 general shall, not later than September 30 of each year, prepare
228 an annual report summarizing the activities of the office during
229 the immediately preceding state fiscal year.

230 (b) The inspector general of the Florida Housing Finance
231 Corporation shall, not later than 90 days after the end of each
232 fiscal year, prepare an annual report summarizing the activities

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233 of the Office of Inspector General during the immediately
234 preceding fiscal year.

235 (c) The final reports prepared pursuant to paragraphs (a)
236 and (b) shall be furnished to the heads of the respective
237 agencies and, for state agencies under the jurisdiction of the
238 Governor, the Chief Inspector General. Such reports must ~~shall~~
239 include, but need not be limited to:

240 1. A description of activities relating to the development,
241 assessment, and validation of performance measures.

242 2. A description of significant abuses and deficiencies
243 relating to the administration of programs and operations of the
244 agency disclosed by investigations, audits, reviews, or other
245 activities during the reporting period.

246 3. A description of the recommendations for corrective
247 action made by the inspector general during the reporting period
248 with respect to significant problems, abuses, or deficiencies
249 identified.

250 4. The identification of each significant recommendation
251 described in previous annual reports on which corrective action
252 has not been completed.

253 5. A summary of each audit and investigation completed
254 during the reporting period.

255 (8) The inspector general in each state agency shall
256 provide to the agency head, upon receipt, all written complaints
257 concerning the duties and responsibilities in this section or
258 any allegation of misconduct related to the office of the
259 inspector general or its employees, if received from subjects of
260 audits or investigations who are individuals substantially
261 affected or entities contracting with the state, as defined in

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262 this section. For state agencies ~~solely~~ under the jurisdiction
263 ~~direction~~ of the Governor, the inspector general shall also
264 provide the complaint to the Chief Inspector General.

265 Section 3. This act shall take effect July 1, 2014.