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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2014	.	
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The Committee on Governmental Oversight and Accountability
(Bean) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

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

(2) DUTIES.—The Auditor General shall:

(j) Conduct audits of local governmental entities when



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11 determined to be necessary by the Auditor General, when directed
12 by the Legislative Auditing Committee, or when otherwise
13 required by law. No later than 18 months after the release of
14 the audit report, the Auditor General shall perform such
15 appropriate followup procedures as he or she deems necessary to
16 determine the audited entity's progress in addressing the
17 findings and recommendations contained within the Auditor
18 General's previous report. The Auditor General shall notify each
19 member of the audited entity's governing body and the
20 Legislative Auditing Committee of the results of his or her
21 determination. For purposes of this paragraph, local
22 governmental entities do not include water management districts.
23

24 The Auditor General shall perform his or her duties
25 independently but under the general policies established by the
26 Legislative Auditing Committee. This subsection does not limit
27 the Auditor General's discretionary authority to conduct other
28 audits or engagements of governmental entities as authorized in
29 subsection (3).

30 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

31 (j) The Auditor General shall notify the Legislative
32 Auditing Committee of any financial or operational audit report
33 prepared pursuant to this section which indicates that a
34 district school board, state university, or Florida College
35 System institution has failed to take full corrective action in
36 response to a recommendation that was included in the two
37 preceding financial or operational audit reports.

38 1. The committee may direct the governing body of the
39 district school board, state university, or Florida College



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40 System institution to provide a written statement to the
41 committee explaining why full corrective action has not been
42 taken or, if the governing body intends to take full corrective
43 action, describing the corrective action to be taken and when it
44 will occur.

45 2. If the committee determines that the written statement
46 is not sufficient, the committee may require the chair of the
47 governing body of the district school board, state university,
48 or Florida College System institution, or the chair's designee,
49 to appear before the committee.

50 3. If the committee determines that the district school
51 board, state university, or Florida College System institution
52 has failed to take full corrective action for which there is no
53 justifiable reason or has failed to comply with committee
54 requests made pursuant to this section, the committee shall
55 refer the matter to the State Board of Education or the Board of
56 Governors, as appropriate, to proceed in accordance with s.
57 1008.32 or s. 1008.322, respectively.

58 Section 2. Subsection (1) of section 20.05, Florida
59 Statutes, is amended to read:

60 20.05 Heads of departments; powers and duties.—

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

64 (a) Plan, direct, coordinate, and execute the powers,
65 duties, and functions vested in that department or vested in a
66 division, bureau, or section of that department; powers and
67 duties assigned or transferred to a division, bureau, or section
68 of the department must not be construed to limit this authority



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69 and this responsibility;

70 (b) Have authority, without being relieved of
71 responsibility, to execute any of the powers, duties, and
72 functions vested in the department or in any administrative unit
73 thereof through administrative units and through assistants and
74 deputies designated by the head of the department from time to
75 time, unless the head of the department is explicitly required
76 by law to perform the same without delegation;

77 (c) Compile annually a comprehensive program budget
78 reporting all program and fiscal matters related to the
79 operation of his or her department, including each program,
80 subprogram, and activity, and other matters as required by law;

81 (d) Reimburse the members of advisory bodies, commissions,
82 and boards of trustees for their actual and necessary expenses
83 incurred in the performance of their duties in accordance with
84 s. 112.061;

85 (e) Subject to the requirements of chapter 120, exercise
86 existing authority to adopt rules pursuant and limited to the
87 powers, duties, and functions transferred to the department;

88 (f) Exercise authority on behalf of the department to
89 accept gifts, grants, bequests, loans, and endowments for
90 purposes consistent with the powers, duties, and functions of
91 the department. All such funds must be deposited in the State
92 Treasury and appropriated by the Legislature for the purposes
93 for which they were received by the department;

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



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

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

111 Section 3. Paragraph (b) of subsection (1) of section
112 20.055, Florida Statutes, is amended to read:

113 20.055 Agency inspectors general.—

114 (1) For the purposes of this section:

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

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

126 25.382 State courts system.—



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127 (5) The Supreme Court shall ensure that the state courts
128 system establishes and maintains internal controls designed to
129 prevent and detect fraud, waste, and abuse; to ensure the
130 administration of assigned public duties and responsibilities in
131 accordance with applicable laws, rules, contracts, grant
132 agreements, and best practices; to promote and encourage
133 economic and efficient operations; to ensure the reliability of
134 financial records and reports; and to safeguard assets.

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

137 28.35 Florida Clerks of Court Operations Corporation.—

138 (2) The duties of the corporation shall include the
139 following:

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

147 Section 6. Present subsections (6) and (7) of section
148 43.16, Florida Statutes, are renumbered as subsections (7) and
149 (8), respectively, and a new subsection (6) is added to that
150 section, to read:

151 43.16 Justice Administrative Commission; membership, powers
152 and duties.—

153 (6) The commission, each state attorney, each public
154 defender, each criminal conflict and civil regional counsel,
155 each capital collateral regional counsel, and the guardian ad



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156 litem program must establish and maintain internal controls
157 designed to prevent and detect fraud, waste, and abuse; to
158 ensure the administration of assigned public duties and
159 responsibilities in accordance with applicable laws, rules,
160 contracts, grant agreements, and best practices; to promote and
161 encourage economic and efficient operations; to ensure the
162 reliability of financial records and reports; and to safeguard
163 assets.

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

166 215.985 Transparency in government spending.—

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

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

175 218.33 Local governmental entities; establishment of
176 uniform fiscal years and accounting practices and procedures.—

177 (3) Each local governmental entity must establish and
178 maintain internal controls designed to prevent and detect fraud,
179 waste, and abuse; to ensure the administration of assigned
180 public duties and responsibilities in accordance with applicable
181 laws, rules, contracts, grant agreements, and best practices; to
182 promote and encourage economic and efficient operations; to
183 ensure the reliability of financial records and reports; and to
184 safeguard assets.



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185 Section 9. Paragraph (e) of subsection (4) of section
186 373.536, Florida Statutes, is amended to read:

187 373.536 District budget and hearing thereon.—

188 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

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

194 Section 10. Paragraph (1) of subsection (12) of section
195 1001.42, Florida Statutes, is amended to read:

196 1001.42 Powers and duties of district school board.—The
197 district school board, acting as a board, shall exercise all
198 powers and perform all duties listed below:

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

202 (1) *Internal auditor*.—May employ an internal auditor to
203 perform ongoing financial verification of the financial records
204 of the school district and such other audits and reviews as the
205 district school board directs for the purpose of establishing
206 and maintaining internal controls designed to prevent and detect
207 fraud, waste, and abuse; to ensure the administration of
208 assigned public duties and responsibilities in accordance with
209 applicable laws, rules, contracts, grant agreements, school
210 board-approved policies, and best practices; to promote and
211 encourage economic and efficient operations; to ensure the
212 reliability of financial records and reports; and to safeguard
213 assets. The internal auditor shall report directly to the



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214 district school board or its designee.

215 Section 11. Paragraph (j) of subsection (9) of section
216 1002.33, Florida Statutes, is amended to read:

217 1002.33 Charter schools.—

218 (9) CHARTER SCHOOL REQUIREMENTS.—

219 (j) The governing body of the charter school shall be
220 responsible for:

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

228 ~~2.1.~~ Ensuring that the charter school has retained the
229 services of a certified public accountant or auditor for the
230 annual financial audit, pursuant to s. 1002.345(2), who shall
231 submit the report to the governing body.

232 ~~3.2.~~ Reviewing and approving the audit report, including
233 audit findings and recommendations for the financial recovery
234 plan.

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

237 b. Monitoring a financial recovery plan in order to ensure
238 compliance.

239 ~~5.4.~~ Participating in governance training approved by the
240 department which must include government in the sunshine,
241 conflicts of interest, ethics, and financial responsibility.

242 Section 12. Present subsections (3) and (4) of section



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243 1010.01, Florida Statutes, are renumbered as subsections (4) and
244 (5), respectively, and a new subsection (3) and subsection (6)
245 are added to that section, to read:

246 1010.01 Uniform records and accounts.-

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

254 (6) Each school district, Florida College System
255 institution, and state university shall establish and maintain
256 internal controls designed to prevent and detect fraud, waste,
257 and abuse; to ensure the administration of assigned public
258 duties and responsibilities in accordance with applicable laws,
259 rules, contracts, grant agreements, and best practices; to
260 promote and encourage economic and efficient operations; to
261 ensure the reliability of financial records and reports; and to
262 safeguard assets.

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

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

270
271 ===== T I T L E A M E N D M E N T =====



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272 And the title is amended as follows:

273 Delete everything before the enacting clause
274 and insert:

275 A bill to be entitled

276 An act relating to government accountability; amending
277 s. 11.45, F.S.; excluding water management districts
278 from certain audit requirements; expanding certain
279 audit provisions to include district school boards;
280 amending ss. 20.05, 25.382, 28.35, 43.16, 218.33, and
281 1002.33, F.S.; revising the responsibilities of a
282 department head, the Justice Administrative
283 Commission, a state attorney, a public defender, a
284 criminal conflict and civil regional counsel, a
285 capital collateral counsel, the guardian ad litem
286 program, the State Supreme Court as it relates to the
287 state courts system, the Florida Clerks of Court
288 Operations Corporation, a local governmental entity,
289 and the governing body of a charter school to include
290 the responsibility of establishing certain internal
291 controls; amending s. 20.055, F.S.; revising the
292 definition of the term "agency head"; amending s.
293 215.985, F.S.; specifying requirements for a monthly
294 financial statement provided by a water management
295 district; amending s. 373.536, F.S.; removing an
296 obsolete provision; amending s. 1001.42, F.S.;
297 revising the responsibilities of a district school
298 board's internal auditor to perform certain audits and
299 reviews; amending s. 1010.01, F.S.; requiring each
300 Florida College System institution to file certain



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301 annual financial statements with the State Board of
302 Education; requiring each school district, Florida
303 College System institution, and state university to
304 establish certain internal controls; providing that
305 the act fulfills an important state interest;
306 providing an effective date.