



379686

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/23/2015	.	
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The Committee on Governmental Oversight and Accountability  
(Latvala) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 27 - 353

and insert:

(a) Hire or retain legal counsel.

(b) Issue and serve subpoenas and subpoenas duces tecum to  
compel the attendance of witnesses and the production of  
documents, reports, answers, records, accounts, and other data  
in any medium.

(c) Require or allow a person to file a statement in



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11 writing, under oath or otherwise, as to all the facts and  
12 circumstances concerning the matter to be audited, examined, or  
13 investigated.

14  
15 In the event of noncompliance with a subpoena issued pursuant to  
16 this subsection, the Chief Inspector General may petition the  
17 circuit court of the county in which the person subpoenaed  
18 resides or has his or her principal place of business for an  
19 order requiring the person subpoenaed to appear and testify and  
20 to produce documents, reports, answers, records, accounts, or  
21 other data as specified in the subpoena.

22 Section 2. Present subsections (1) through (5) of section  
23 20.055, Florida Statutes, are amended, new subsections (5) and  
24 (6) are added to that section, and present subsections (6)  
25 through (9) are redesignated as subsections (8) through (11),  
26 respectively, to read:

27 20.055 Agency inspectors general.—

28 (1) As used in this section, the term:

29 (a) "Agency head" means the Governor, a Cabinet officer, or  
30 a secretary or executive director as those terms are defined in  
31 s. 20.03, the chair of the Public Service Commission, the  
32 Director of the Office of Insurance Regulation of the Financial  
33 Services Commission, the Director of the Office of Financial  
34 Regulation of the Financial Services Commission, the board of  
35 directors of the Florida Housing Finance Corporation, the  
36 Executive Director of the State Board of Administration, the  
37 Executive Director of the Office of Early Learning, and the  
38 Chief Justice of the State Supreme Court.

39 (b) "Entities contracting with the state" means for-profit



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40 and not-for-profit organizations or businesses that have a legal  
41 existence, such as corporations or partnerships, as opposed to  
42 natural persons, which have entered into a relationship with a  
43 state agency to provide for consideration certain goods or  
44 services to the state agency or on behalf of the state agency.  
45 The relationship may be evidenced by payment by warrant or  
46 purchasing card, contract, purchase order, provider agreement,  
47 or other such mutually agreed upon relationship. The term does  
48 not apply to entities that are the subject of audits or  
49 investigations conducted pursuant to ss. 112.3187-112.31895 or  
50 s. 409.913 or which are otherwise confidential and exempt under  
51 s. 119.07.

52 (c) "Individuals substantially affected" means natural  
53 persons who have established a real and sufficiently immediate  
54 injury in fact due to the findings, conclusions, or  
55 recommendations of a final report of a state agency inspector  
56 general, who are the subject of the audit or investigation, and  
57 who do not have or are not currently afforded an existing right  
58 to an independent review process. The term does not apply to  
59 employees of the state, including career service, probationary,  
60 other personal service, Selected Exempt Service, and Senior  
61 Management Service employees; former employees of the state if  
62 the final report of the state agency inspector general relates  
63 to matters arising during a former employee's term of state  
64 employment; or persons who are the subject of audits or  
65 investigations conducted pursuant to ss. 112.3187-112.31895 or  
66 s. 409.913 or which are otherwise confidential and exempt under  
67 s. 119.07.

68 (d) "State agency" means each department created pursuant



69 to this chapter and the Executive Office of the Governor, the  
70 Department of Military Affairs, the Fish and Wildlife  
71 Conservation Commission, the Office of Insurance Regulation of  
72 the Financial Services Commission, the Office of Financial  
73 Regulation of the Financial Services Commission, the Public  
74 Service Commission, the Board of Governors of the State  
75 University System, the Florida Housing Finance Corporation, the  
76 Agency for State Technology, the State Board of Administration,  
77 the Office of Early Learning, and the state courts system.

78 (2) An ~~The~~ office of Inspector General is established in  
79 each state agency to provide a central point for coordination of  
80 and responsibility for activities that promote accountability,  
81 integrity, and efficiency in government. It is the duty and  
82 responsibility of each inspector general, with respect to the  
83 state agency in which the office is established, to:

84 (a) Advise in the development of performance measures,  
85 standards, and procedures for the evaluation of state agency  
86 programs.

87 (b) Assess the reliability and validity of the information  
88 provided by the state agency on performance measures and  
89 standards, and make recommendations for improvement, if  
90 necessary, before submission of such information pursuant to s.  
91 216.1827.

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

95 (d) Provide direction for, supervise, and coordinate  
96 audits, investigations, and management reviews relating to the  
97 programs and operations of the state agency, except that when



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98 the inspector general does not possess the qualifications  
99 specified in subsection (4), the director of auditing shall  
100 conduct such audits.

101 (e) Conduct, supervise, or coordinate other activities  
102 carried out or financed by that state agency for the purpose of  
103 promoting economy and efficiency in the administration of, or  
104 preventing and detecting fraud and abuse in, its programs and  
105 operations.

106 (f) Keep the agency head or, for state agencies under the  
107 jurisdiction of the Governor, the Chief Inspector General  
108 informed concerning fraud, abuses, and deficiencies relating to  
109 programs and operations administered or financed by the state  
110 agency, recommend corrective action concerning fraud, abuses,  
111 and deficiencies, and report on the progress made in  
112 implementing corrective action.

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

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

119 (i) Ensure that an appropriate balance is maintained  
120 between audit, investigative, and other accountability  
121 activities.

122 (j) Comply with the General Principles and Standards for  
123 Offices of Inspector General as published and revised by the  
124 Association of Inspectors General.

125 (3) (a) 1. For state agencies under the jurisdiction of the  
126 Cabinet or the Governor and Cabinet, the inspector general shall



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127 be appointed by the agency head. For state agencies under the  
128 jurisdiction of the Governor, the inspector general shall be  
129 appointed by the Chief Inspector General. The agency head or  
130 Chief Inspector General shall notify the Governor in writing of  
131 his or her intention to hire the inspector general at least 7  
132 days before an offer of employment. The inspector general shall  
133 be appointed without regard to political affiliation.

134 2. Within 60 days after a vacancy or anticipated vacancy in  
135 the position of inspector general, the agency head or, for  
136 agencies under the jurisdiction of the Governor, the Chief  
137 Inspector General, shall initiate a national search for an  
138 inspector general and shall set the salary of the inspector  
139 general. In the event of a vacancy in the position of inspector  
140 general, the agency head or, for agencies under the jurisdiction  
141 of the Governor, the Chief Inspector General, may appoint other  
142 office of inspector general management personnel as interim  
143 inspector general until such time as a successor inspector  
144 general is appointed.

145 3. A former or current elected official may not be  
146 appointed inspector general within 5 years after the end of such  
147 individual's period of service. This restriction does not  
148 prohibit the reappointment of a current inspector general.

149 4. Upon appointment as inspector general, an individual's  
150 initial term shall be 3 years. Subsequent 3-year terms may be  
151 renewed at the discretion of the agency head or, for agencies  
152 under the jurisdiction of the Governor, the Chief Inspector  
153 General. Notwithstanding this term of appointment, an inspector  
154 general may be removed from office for cause by the agency head  
155 or, for agencies under the jurisdiction of the Governor, the



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156 Chief Inspector General, as provided in paragraph (c).

157       (b) The inspector general shall report to and be under the  
158 general supervision of the agency head and is not subject to  
159 supervision by any other employee of the state agency in which  
160 the office is established. For state agencies under the  
161 jurisdiction of the Governor, the inspector general shall be  
162 under the general supervision of the agency head for  
163 administrative purposes, shall report to the Chief Inspector  
164 General, and may hire and remove staff within the office of the  
165 inspector general in consultation with the Chief Inspector  
166 General but independently of the agency.

167       (c) For state agencies under the jurisdiction of the  
168 Cabinet or the Governor and Cabinet, the inspector general may  
169 be removed from office by the agency head. For state agencies  
170 under the jurisdiction of the Governor, the inspector general  
171 may only be removed from office by the Chief Inspector General  
172 for cause, including concerns regarding performance,  
173 malfeasance, misfeasance, misconduct, or failure to carry out  
174 his or her duties under this section. The Chief Inspector  
175 General shall notify the Governor in writing of his or her  
176 intention to remove the inspector general at least 21 days  
177 before the removal. For state agencies under the jurisdiction of  
178 the Governor and Cabinet, the agency head shall notify the  
179 Governor and Cabinet in writing of his or her intention to  
180 remove the inspector general at least 21 days before the  
181 removal. If the inspector general disagrees with the removal,  
182 the inspector general may present objections in writing to the  
183 Governor within the 21-day period.

184       (d) The Governor, the Governor and Cabinet, the agency



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185 head, or agency staff may not prevent or prohibit the inspector  
186 general from initiating, carrying out, or completing any audit  
187 or investigation.

188 (4) (a) To ensure that state agency audits are performed in  
189 accordance with applicable auditing standards, the inspector  
190 general or the director of auditing within the inspector  
191 general's office shall possess the following qualifications:

192 1. ~~(a)~~ A bachelor's degree from an accredited college or  
193 university with a major in accounting, or with a major in  
194 business which includes five courses in accounting, and 5 years  
195 of experience as an internal auditor or independent postauditor,  
196 electronic data processing auditor, accountant, or any  
197 combination thereof. At a minimum, the experience must ~~shall~~ ~~at~~  
198 ~~a minimum~~ consist of audits of units of government or private  
199 business enterprises, operating for profit or not for profit; ~~or~~

200 2. ~~(b)~~ A master's degree in accounting, business  
201 administration, or public administration from an accredited  
202 college or university and 4 years of the professional experience  
203 ~~as~~ required under subparagraph 1. in paragraph (a); or

204 3. ~~(c)~~ A certified public accountant license issued pursuant  
205 to chapter 473 or a certified internal audit certificate issued  
206 by the Institute of Internal Auditors or earned by examination,  
207 and 4 years of the professional experience ~~as~~ required under  
208 subparagraph 1. in paragraph (a).

209 (b) For agencies under the jurisdiction of the Governor,  
210 the inspector general shall be selected on the basis of  
211 integrity, leadership capability, and experience in accounting,  
212 auditing, financial analysis, law, management analysis, program  
213 evaluation, public administration, investigation, criminal





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214 justice administration, or another closely related field. The  
215 inspector general is subject to level 2 background screening.  
216 The inspector general shall have a 4-year degree from an  
217 accredited institution of higher learning or at least 5 years of  
218 experience in at least one of the following areas:

219 1. Inspector general.

220 2. Supervisory experience in an office of inspector general  
221 or an investigative public agency similar to an office of  
222 inspector general.

223 3. Local, state, or federal law enforcement officer.

224 4. Local, state, or federal court judge.

225 5. Senior-level auditor or comptroller.

226 6. Experience in the administration and management of  
227 complex audits and investigations.

228 7. Experience managing programs for prevention,  
229 examination, detection, elimination of fraud, waste, abuse,  
230 mismanagement, malfeasance, or misconduct in government or  
231 organizations.

232 8. An advanced degree in law, accounting, public  
233 administration, or another relevant field may substitute for one  
234 year of required experience.

235 (c) The inspector general shall possess at appointment, or  
236 obtain within the first year after appointment, certification  
237 from the Association of Inspectors General as a certified  
238 inspector general. The inspector general shall have at least one  
239 other related professional certification, such as certified  
240 inspector general investigator, certified inspector general  
241 auditor, certified public accountant, certified internal  
242 auditor, certified governmental financial manager, certified



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243 fraud examiner, or certified financial crimes investigator, or  
244 be a licensed attorney.

245 (d) The inspector general may not hold, or be a candidate  
246 for, an elective office while inspector general, and a current  
247 officer or employee of an office of inspector general may not  
248 hold, or be a candidate for, an elective office. The inspector  
249 general may not hold office in a political party or political  
250 committee. An employee of an office of inspector general may not  
251 hold office in a political party or political committee while  
252 employed in the office of inspector general.

253 (5) The inspector general and his or her staff shall have  
254 access to any records, data, and other information of the state  
255 agency which he or she deems necessary to carry out his or her  
256 duties. At all times, the inspector general shall have access to  
257 a building or facility that is owned, operated, or leased by a  
258 department, agency, board, or commission, or a property held in  
259 trust to the state.

260 (6) It is the duty of every state officer, employee,  
261 agency, special district, board, commission, contractor,  
262 subcontractor, licensee, and applicant for certification of  
263 eligibility for a contract or program, to cooperate with the  
264 inspector general in any investigation, audit, inspection,  
265 review, or hearing conducted pursuant to this section. Each  
266 contract, bid, proposal, and application or solicitation for a  
267 contract shall contain a statement that the corporation,  
268 partnership, or person understands and will comply with this  
269 subsection.

270 (7)~~(5)~~ In carrying out the auditing duties and  
271 responsibilities ~~specified in~~ ~~of~~ this ~~section~~ ~~act~~, each



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272 inspector general shall review and evaluate internal controls  
273 necessary to ensure the fiscal accountability of the state  
274 agency. The inspector general shall conduct financial,  
275 compliance, electronic data processing, and performance audits  
276 of the agency and prepare audit reports of his or her findings.  
277 The scope and assignment of the audits shall be determined by  
278 the inspector general; however, the agency head may at any time  
279 request the inspector general to perform an audit of a special  
280 program, function, or organizational unit. The performance of  
281 the audit shall be under the direction of the inspector general,  
282 except that if the inspector general does not possess the  
283 qualifications specified in subsection (4), the director of  
284 auditing shall perform the functions listed in this subsection.

285 (a) Such audits shall be conducted in accordance with the  
286 current International Standards for the Professional Practice of  
287 Internal Auditing as published by the Institute of Internal  
288 Auditors, Inc., or, where appropriate, in accordance with  
289 generally accepted governmental auditing standards. All audit  
290 reports issued by internal audit staff shall include a statement  
291 that the audit was conducted pursuant to the appropriate  
292 standards.

293 (b) Audit workpapers and reports shall be public records to  
294 the extent that they do not include information which has been  
295 made confidential and exempt from the provisions of s. 119.07(1)  
296 pursuant to law. However, when the inspector general or a member  
297 of the staff receives from an individual a complaint or  
298 information that falls within the definition provided in s.  
299 112.3187(5), the name or identity of the individual may not be  
300 disclosed to anyone else without the written consent of the



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301 individual, unless the inspector general determines that such  
302 disclosure is unavoidable during the course of the audit or  
303 investigation.

304 ~~(c) The inspector general and the staff shall have access~~  
305 ~~to any records, data, and other information of the state agency~~  
306 ~~he or she deems necessary to carry out his or her duties. The~~  
307 ~~inspector general may also request such information or~~  
308 ~~assistance as may be necessary from the state agency or from any~~  
309 ~~federal, state, or local government entity.~~

310 ~~(d)~~ At the conclusion of each audit, the inspector general  
311 shall submit preliminary findings and recommendations to the  
312 person responsible for supervision of the program function or  
313 operational unit who shall respond to any adverse findings  
314 within 20 working days after receipt of the preliminary  
315 findings. Such response and the inspector general's rebuttal to  
316 the response shall be included in the final audit report.

317 ~~(d)~~(e) At the conclusion of an audit in which the subject  
318 of the audit is a specific entity contracting with the state or  
319 an individual substantially affected, if the audit is not  
320 confidential or otherwise exempt from disclosure by law, the  
321 inspector general shall, consistent with s. 119.07(1), submit  
322 the findings to the entity contracting with the state or the  
323 individual substantially affected, who shall be advised in  
324 writing that they may submit a written response within 20  
325 working days after receipt of the findings. The response and the  
326 inspector general's rebuttal to the response, if any, must be  
327 included in the final audit report.

328 ~~(e)~~(f) The inspector general shall submit the final report  
329 to the agency head, the Auditor General, and, for state agencies



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330 under the jurisdiction of the Governor, the Chief Inspector  
331 General.

332 (f)~~(g)~~ The Auditor General, in connection with the  
333 independent postaudit of the same agency pursuant to s. 11.45,  
334 shall give appropriate consideration to internal audit reports  
335 and the resolution of findings therein. The Legislative Auditing  
336 Committee may inquire into the reasons or justifications for  
337 failure of the agency head to correct the deficiencies reported  
338 in internal audits that are also reported by the Auditor General  
339 and shall take appropriate action.

340 (g)~~(h)~~ The inspector general shall monitor the  
341 implementation of the state agency's response to any report on  
342 the state agency issued by the Auditor General or by the Office  
343 of Program Policy Analysis and Government Accountability. No  
344 later than 6 months after the Auditor General or the Office of  
345 Program Policy Analysis and Government Accountability publishes  
346 a report on the state agency, the inspector general shall  
347 provide a written response to the agency head or, for state  
348 agencies under the jurisdiction of the Governor, the Chief  
349 Inspector General on the status of corrective actions taken. The  
350 inspector general shall file a copy of such response with the  
351 Legislative Auditing Committee.

352 (h)~~(i)~~ The inspector general shall develop long-term and  
353

354 ===== T I T L E A M E N D M E N T =====

355 And the title is amended as follows:

356 Delete lines 4 - 17

357 and insert:

358 or his or her designee to retain legal counsel and



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359 issue and enforce subpoenas under certain  
360 circumstances; amending s. 20.055, F.S.; revising the  
361 definitions of the terms "agency head" and "state  
362 agency" to include the State Board of Administration  
363 and the Office of Early Learning of the Department of  
364 Education; prescribing additional hiring requirements,  
365 employment qualifications, and terms of employment for  
366 inspectors general and staff of the office of  
367 inspector general; specifying that an inspector  
368 general is entitled to access to specified buildings  
369 or facilities; establishing the duty of specified  
370 persons and entities with respect to cooperation with  
371 an inspector general's official duties; requiring  
372 contracts and other specified documents to contain a  
373 statement regarding compliance with an inspector  
374 general's official duties;