

HB 4065

2016

1 A bill to be entitled
2 An act relating to duties of the Legislative Auditing
3 Committee; amending s. 11.40, F.S.; repealing
4 provisions requiring compensation report audits of
5 legislative branch and executive branch lobbying firms
6 by independent contract auditors, specifying
7 procedures for selecting independent contract
8 auditors, and requiring audit reports to be provided
9 to specified legislative and executive entities;
10 amending s. 11.45, F.S.; removing a requirement that
11 the Auditor General notify the committee regarding
12 certain financial or operational audit reports of
13 state universities or Florida College System
14 institutions; removing duties of the committee
15 relating to state universities or Florida College
16 System institutions that have failed to take
17 corrective action based on such reports; amending s.
18 215.985, F.S.; repealing provisions requiring the
19 committee's input related to the website of the
20 Executive Office of the Governor; amending s.
21 1002.395, F.S.; correcting a cross-reference;
22 providing an effective date.

23
24 Be It Enacted by the Legislature of the State of Florida:

25
26 Section 1. Subsection (3) of section 11.40, Florida

27 Statutes, is amended to read:

28 11.40 Legislative Auditing Committee.—

29 ~~(3)(a) As used in this subsection, "independent contract~~
30 ~~auditor" means a state-licensed certified public accountant or~~
31 ~~firm with which a state-licensed certified public accountant is~~
32 ~~currently employed or associated who is actively engaged in the~~
33 ~~accounting profession.~~

34 ~~(b) Audits specified in this subsection cover the~~
35 ~~quarterly compensation reports for the previous calendar year~~
36 ~~for a random sample of 3 percent of all legislative branch~~
37 ~~lobbying firms and a random sample of 3 percent of all executive~~
38 ~~branch lobbying firms calculated using as the total number of~~
39 ~~such lobbying firms those filing a compensation report for the~~
40 ~~preceding calendar year. The committee shall provide for a~~
41 ~~system of random selection of the lobbying firms to be audited.~~

42 ~~(c) The committee shall create and maintain a list of not~~
43 ~~less than 10 independent contract auditors approved to conduct~~
44 ~~the required audits. Each lobbying firm selected for audit in~~
45 ~~the random audit process may designate one of the independent~~
46 ~~contract auditors from the committee's approved list. Upon~~
47 ~~failure for any reason of a lobbying firm selected in the random~~
48 ~~selection process to designate an independent contract auditor~~
49 ~~from the committee's list within 30 calendar days after being~~
50 ~~notified by the committee of its selection, the committee shall~~
51 ~~assign one of the available independent contract auditors from~~
52 ~~the approved list to perform the required audit. No independent~~

53 ~~contract auditor, whether designated by the lobbying firm or by~~
54 ~~the committee, may perform the audit of a lobbying firm where~~
55 ~~the auditor and lobbying firm have ever had a direct personal~~
56 ~~relationship or any professional accounting, auditing, tax~~
57 ~~advisory, or tax preparing relationship with each other. The~~
58 ~~committee shall obtain a written, sworn certification subject to~~
59 ~~s. 837.06, both from the randomly selected lobbying firm and~~
60 ~~from the proposed independent contract auditor, that no such~~
61 ~~relationship has ever existed.~~

62 ~~(d) Each independent contract auditor shall be engaged by~~
63 ~~and compensated solely by the state for the work performed in~~
64 ~~accomplishing an audit under this subsection.~~

65 ~~(e) Any violations of law, deficiencies, or material~~
66 ~~misstatements discovered and noted in an audit report shall be~~
67 ~~clearly identified in the audit report and be determined under~~
68 ~~the rules of either house of the Legislature or under the joint~~
69 ~~rules, as applicable.~~

70 ~~(f) If any lobbying firm fails to give full, frank, and~~
71 ~~prompt cooperation and access to books, records, and associated~~
72 ~~backup documents as requested in writing by the auditor, that~~
73 ~~failure shall be clearly noted by the independent contract~~
74 ~~auditor in the report of audit.~~

75 ~~(g) The committee shall establish procedures for the~~
76 ~~selection of independent contract auditors desiring to enter~~
77 ~~into audit contracts pursuant to this subsection. Such~~
78 ~~procedures shall include, but not be limited to, a rating system~~

79 ~~that takes into account pertinent information, including the~~
80 ~~independent contract auditor's fee proposals for participating~~
81 ~~in the process. All contracts under this subsection between an~~
82 ~~independent contract auditor and the Speaker of the House of~~
83 ~~Representatives and the President of the Senate shall be~~
84 ~~terminable by either party at any time upon written notice to~~
85 ~~the other, and such contracts may contain such other terms and~~
86 ~~conditions as the Speaker of the House of Representatives and~~
87 ~~the President of the Senate deem appropriate under the~~
88 ~~circumstances.~~

89 ~~(h) The committee shall adopt guidelines that govern~~
90 ~~random audits and field investigations conducted pursuant to~~
91 ~~this subsection. The guidelines shall ensure that similarly~~
92 ~~situated compensation reports are audited in a uniform manner.~~
93 ~~The guidelines shall also be formulated to encourage compliance~~
94 ~~and detect violations of the legislative and executive lobbying~~
95 ~~compensation reporting requirements in ss. 11.045 and 112.3215~~
96 ~~and to ensure that each audit is conducted with maximum~~
97 ~~efficiency in a cost-effective manner. In adopting the~~
98 ~~guidelines, the committee shall consider relevant guidelines and~~
99 ~~standards of the American Institute of Certified Public~~
100 ~~Accountants to the extent that such guidelines and standards are~~
101 ~~applicable and consistent with the purposes set forth in this~~
102 ~~subsection.~~

103 ~~(i) All audit reports of legislative lobbying firms shall,~~
104 ~~upon completion by an independent contract auditor, be delivered~~

105 ~~to the President of the Senate and the Speaker of the House of~~
 106 ~~Representatives for their respective review and handling. All~~
 107 ~~audit reports of executive branch lobbyists, upon completion by~~
 108 ~~an independent contract auditor, shall be delivered by the~~
 109 ~~auditor to the Commission on Ethics.~~

110 Section 2. Paragraph (j) of subsection (7) of section
 111 11.45, Florida Statutes, is amended to read:

112 11.45 Definitions; duties; authorities; reports; rules.—

113 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

114 (j) The Auditor General shall notify the Legislative
 115 Auditing Committee of any financial or operational audit report
 116 prepared pursuant to this section which indicates that a
 117 ~~district school board, state university, or Florida College~~
 118 ~~System institution~~ has failed to take full corrective action in
 119 response to a recommendation that was included in the two
 120 preceding financial or operational audit reports.

121 1. The committee may direct the district school board ~~or~~
 122 ~~the governing body of the state university or Florida College~~
 123 ~~System institution~~ to provide a written statement to the
 124 committee explaining why full corrective action has not been
 125 taken or, if the district school board ~~governing body~~ intends to
 126 take full corrective action, describing the corrective action to
 127 be taken and when it will occur.

128 2. If the committee determines that the written statement
 129 is not sufficient, the committee may require the chair of the
 130 district school board ~~or the chair of the governing body of the~~

131 ~~state university or Florida College System institution,~~ or the
132 chair's designee, to appear before the committee.

133 3. If the committee determines that the district school
134 board, ~~state university, or Florida College System institution~~
135 has failed to take full corrective action for which there is no
136 justifiable reason or has failed to comply with committee
137 requests made pursuant to this section, the committee shall
138 refer the matter to the State Board of Education ~~or the Board of~~
139 ~~Governors, as appropriate,~~ to proceed in accordance with s.
140 1008.32 ~~or s. 1008.322, respectively.~~

141 Section 3. Subsections (2), (7), (8), (9), and (13) of
142 section 215.985, Florida Statutes, are amended to read:

143 215.985 Transparency in government spending.—

144 (2) As used in this section, the term:

145 ~~(a) "Committee" means the Legislative Auditing Committee~~
146 ~~created in s. 11.40.~~

147 (a) ~~(b)~~ "Contract" means a written agreement or purchase
148 order issued for the purchase of goods or services or a written
149 agreement for the receipt of state or federal financial
150 assistance.

151 (b) ~~(c)~~ "Governmental entity" means a state, regional,
152 county, municipal, special district, or other political
153 subdivision whether executive, judicial, or legislative,
154 including, but not limited to, a department, division, bureau,
155 commission, authority, district, or agency thereof, or public
156 school, Florida College System institution, state university, or

157 associated board.

158 (c)~~(d)~~ "Website" means a site on the Internet which is
159 easily accessible to the public at no cost and does not require
160 the user to provide information.

161 ~~(7) By November 1, 2013, and annually thereafter, the~~
162 ~~committee shall recommend to the President of the Senate and the~~
163 ~~Speaker of the House of Representatives:~~

164 ~~(a) Additional information to be added to a website, such~~
165 ~~as whether to expand the scope of the information provided to~~
166 ~~include state universities, Florida College System institutions,~~
167 ~~school districts, charter schools, charter technical career~~
168 ~~centers, local government units, and other governmental~~
169 ~~entities.~~

170 ~~(b) A schedule for adding information to the website by~~
171 ~~type of information and governmental entity, including~~
172 ~~timeframes and development entity.~~

173 ~~(c) A format for collecting and displaying the additional~~
174 ~~information.~~

175 ~~(8) The manager of each website described in subsections~~
176 ~~(4), (5), and (6) shall submit to the committee information~~
177 ~~relating to the cost of creating and maintaining such website,~~
178 ~~and the number of times the website has been accessed.~~

179 ~~(9) The committee shall coordinate with the Financial~~
180 ~~Management Information Board in developing recommendations for~~
181 ~~including information on the website which is necessary to meet~~
182 ~~the requirements of s. 215.91(8).~~

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183 ~~(13) The committee shall prepare an annual report~~
184 ~~detailing progress in establishing the single website and~~
185 ~~providing recommendations for enhancement of the content and~~
186 ~~format of the website and related policies and procedures. The~~
187 ~~report shall be submitted to the Governor, the President of the~~
188 ~~Senate, and the Speaker of the House of Representatives by~~
189 ~~November 1.~~

190 Section 4. Paragraph (d) of subsection (9) of section
191 1002.395, Florida Statutes, is amended to read:

192 1002.395 Florida Tax Credit Scholarship Program.—

193 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.—The Department of
194 Education shall:

195 (d) Annually verify the eligibility of expenditures as
196 provided in paragraph (6) (d) using the audit required by
197 paragraph (6) (m) and s. 11.45(2) (j) ~~11.45(2) (k)~~.

198 Section 5. This act shall take effect July 1, 2016.