

1 A bill to be entitled
2 An act relating to inspectors general and auditors;
3 amending s. 14.32, F.S.; requiring the Chief Inspector
4 General to meet specified qualifications applicable to
5 agency inspectors general, to have open and direct
6 access to the Governor, and to prepare an annual
7 report containing specified information; amending s.
8 20.055, F.S.; revising provisions relating to duties
9 and responsibilities of agency inspectors general;
10 providing that any staff employed within an office of
11 the inspector general are Selected Exempt Service
12 employees; providing that agency inspectors general
13 are Senior Management Service employees; revising the
14 qualifications of agency inspectors general;
15 authorizing an agency inspector general and staff to
16 take and record testimony or statements necessary to
17 conduct an investigation or review; requiring each
18 agency inspector general to include specified
19 budgetary and staffing information in an annual
20 report; amending s. 20.121, F.S.; providing that an
21 auditor employed within the Division of Accounting and
22 Auditing of the Department of Financial Services is a
23 Selected Exempt Service employee; providing an
24 effective date.
25

26 | Be It Enacted by the Legislature of the State of Florida:

27 |

28 | Section 1. Subsection (1) of section 14.32, Florida
29 | Statutes, is amended, and paragraph (1) is added to subsection
30 | (2) of that section, to read:

31 | 14.32 Office of Chief Inspector General.—

32 | (1) There is created in the Executive Office of the
33 | Governor the Office of Chief Inspector General. The Chief
34 | Inspector General is responsible for promoting accountability,
35 | integrity, and efficiency in the agencies under the jurisdiction
36 | of the Governor. The Chief Inspector General shall be appointed
37 | by and serve at the pleasure of the Governor and must meet the
38 | qualifications specified in s. 20.055(4). However, upon a change
39 | in Governors or reelection of the Governor, the Governor shall
40 | appoint, or may reappoint, a Chief Inspector General before
41 | adjournment sine die of the first regular session of the
42 | Legislature that convenes after such change in Governors or
43 | reelection of the Governor. The Chief Inspector General shall,
44 | at all times, have open and direct access to the Governor.

45 | (2) The Chief Inspector General shall:

46 | (1) Prepare an annual report that summarizes the
47 | activities performed in compliance with this section and
48 | includes an aggregate of significant budgetary or administrative
49 | changes contained in annual reports prepared by inspectors
50 | general for state agencies under the jurisdiction of the

51 Governor pursuant to s. 20.055(8).

52 Section 2. Paragraph (b) of subsection (3), paragraphs (a)
53 and (b) of subsection (4), subsections (6) and (7), paragraph
54 (c) of subsection (8), and subsection (10) of section 20.055,
55 Florida Statutes, are amended to read:

56 20.055 Agency inspectors general.—

57 (3)

58 (b) The inspector general shall report to and be under the
59 general supervision of the agency head and is not subject to
60 supervision by any other employee of the state agency in which
61 the office is established. For state agencies under the
62 jurisdiction of the Governor, the inspector general shall be
63 under the general supervision of the agency head for
64 administrative purposes, shall report to the Chief Inspector
65 General, and may hire and remove staff within the office of the
66 inspector general in consultation with the Chief Inspector
67 General but independently of the agency. Any staff member
68 employed within the office of an inspector general is included
69 in the Selected Exempt Service as provided in chapter 110.
70 Agency inspectors general are included in the Senior Management
71 Service as provided in chapter 110.

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

76 1. A bachelor's degree from an accredited college or
77 university with a major in accounting, or with a major in
78 business which includes five courses in accounting, and 5 years
79 of experience as an internal auditor or independent postauditor,
80 information technology ~~electronic data processing~~ auditor,
81 accountant, or any combination thereof. The experience shall at
82 a minimum consist of audits of units of government or private
83 business enterprises, operating for profit or not for profit; or

84 2. A master's degree in accounting, business
85 administration, or public administration from an accredited
86 college or university and 4 years of experience as required in
87 subparagraph 1.; or

88 3. A certified public accountant license issued pursuant
89 to chapter 473 or a certified internal audit certificate issued
90 by the Institute of Internal Auditors or earned by examination,
91 and 4 years of experience as required in subparagraph 1.

92 (b) For agencies under the jurisdiction of the Governor,
93 the inspector general shall be selected on the basis of
94 integrity, leadership capability, and experience in accounting,
95 auditing, fraud examination, financial analysis, law, management
96 analysis, program evaluation, public administration,
97 investigation, criminal justice administration, or other closely
98 related field. The inspector general is subject to a level 2
99 background screening pursuant to chapter 435. The inspector
100 general shall have a 4-year degree from an accredited

101 institution of higher learning or have at least 5 years of
 102 experience in at least one of the following areas:

- 103 1. Inspector general.
- 104 2. Supervisory experience in an office of inspector
 105 general or an investigative public agency similar to an office
 106 of inspector general.
- 107 3. Local, state, or federal law enforcement officer.
- 108 4. Local, state, or federal court judge.
- 109 5. Senior-level auditor or comptroller.
- 110 6. The administration and management of complex audits and
 111 investigations.
- 112 7. Managing programs for information security, prevention,
 113 examination, detection, elimination of fraud, waste, abuse,
 114 mismanagement, malfeasance, or misconduct in government or other
 115 organizations.

116
 117 An advanced degree in law, accounting, public administration, or
 118 other relevant field may substitute for 1 year of required
 119 experience.

120 (6) In carrying out the auditing duties and
 121 responsibilities of this section ~~act~~, each inspector general
 122 shall review and evaluate internal controls necessary to ensure
 123 the fiscal accountability of the state agency. The inspector
 124 general shall conduct financial, compliance, information
 125 technology ~~electronic data processing~~, and performance audits of

126 | the agency and prepare audit reports of his or her findings. The
127 | scope and assignment of the audits shall be determined by the
128 | inspector general; however, the agency head may at any time
129 | request the inspector general to perform an audit of a special
130 | program, function, or organizational unit. The performance of
131 | the audit shall be under the direction of the inspector general,
132 | except that if the inspector general does not possess the
133 | qualifications specified in subsection (4), the director of
134 | auditing shall perform the functions listed in this subsection.

135 | (a) Such audits shall be conducted in accordance with the
136 | current International Standards for the Professional Practice of
137 | Internal Auditing as published by the Institute of Internal
138 | Auditors, Inc., or, where appropriate, in accordance with
139 | generally accepted governmental auditing standards. All audit
140 | reports issued by internal audit staff shall include a statement
141 | that the audit was conducted pursuant to the appropriate
142 | standards.

143 | (b) Audit workpapers and reports shall be public records
144 | to the extent that they do not include information which has
145 | been made confidential and exempt from the provisions of s.
146 | 119.07(1) pursuant to law. However, when the inspector general
147 | or a member of the staff receives from an individual a complaint
148 | or information that falls within the definition provided in s.
149 | 112.3187(5), the name or identity of the individual may not be
150 | disclosed to anyone else without the written consent of the

151 individual, unless the inspector general determines that such
152 disclosure is unavoidable during the course of the audit or
153 investigation.

154 (c) The inspector general and the staff shall have access
155 to any records, data, and other information of the state agency
156 he or she deems necessary to carry out his or her duties. The
157 inspector general may also request such information or
158 assistance as may be necessary from the state agency or from any
159 federal, state, or local government entity.

160 (d) At the conclusion of each audit, the inspector general
161 shall submit preliminary findings and recommendations to the
162 person responsible for supervision of the program function or
163 operational unit who shall respond to any adverse findings
164 within 20 working days after receipt of the preliminary
165 findings. Such response and the inspector general's rebuttal to
166 the response shall be included in the final audit report.

167 (e) At the conclusion of an audit in which the subject of
168 the audit is a specific entity contracting with the state or an
169 individual substantially affected, if the audit is not
170 confidential or otherwise exempt from disclosure by law, the
171 inspector general shall, consistent with s. 119.07(1), submit
172 the findings to the entity contracting with the state or the
173 individual substantially affected, who shall be advised in
174 writing that they may submit a written response within 20
175 working days after receipt of the findings. The response and the

176 | inspector general's rebuttal to the response, if any, must be
177 | included in the final audit report.

178 | (f) The inspector general shall submit the final report to
179 | the agency head, the Auditor General, and, for state agencies
180 | under the jurisdiction of the Governor, the Chief Inspector
181 | General.

182 | (g) The Auditor General, in connection with the
183 | independent postaudit of the same agency pursuant to s. 11.45,
184 | shall give appropriate consideration to internal audit reports
185 | and the resolution of findings therein. The Legislative Auditing
186 | Committee may inquire into the reasons or justifications for
187 | failure of the agency head to correct the deficiencies reported
188 | in internal audits that are also reported by the Auditor General
189 | and shall take appropriate action.

190 | (h) The inspector general shall monitor the implementation
191 | of the state agency's response to any report on the state agency
192 | issued by the Auditor General or by the Office of Program Policy
193 | Analysis and Government Accountability. No later than 6 months
194 | after the Auditor General or the Office of Program Policy
195 | Analysis and Government Accountability publishes a report on the
196 | state agency, the inspector general shall provide a written
197 | response to the agency head or, for state agencies under the
198 | jurisdiction of the Governor, the Chief Inspector General on the
199 | status of corrective actions taken. The inspector general shall
200 | file a copy of such response with the Legislative Auditing

201 Committee.

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

218 (7) (a) In carrying out the investigative duties and
219 responsibilities specified in this section, each inspector
220 general shall initiate, conduct, supervise, and coordinate
221 investigations designed to detect, deter, prevent, and eradicate
222 fraud, waste, mismanagement, misconduct, and other abuses in
223 state government. For these purposes, each inspector general
224 shall:

225 1. ~~(a)~~ Receive complaints and coordinate all activities of

226 the agency as required by the Whistle-blower's Act pursuant to
227 ss. 112.3187-112.31895.

228 2.~~(b)~~ Receive and consider the complaints which do not
229 meet the criteria for an investigation under the Whistle-
230 blower's Act and conduct, supervise, or coordinate such
231 inquiries, investigations, or reviews as the inspector general
232 deems appropriate.

233 3.~~(e)~~ Report expeditiously to the Department of Law
234 Enforcement or other law enforcement agencies, as appropriate,
235 whenever the inspector general has reasonable grounds to believe
236 there has been a violation of criminal law.

237 4.~~(d)~~ Conduct investigations and other inquiries free of
238 actual or perceived impairment to the independence of the
239 inspector general or the inspector general's office. This shall
240 include freedom from any interference with investigations and
241 timely access to records and other sources of information.

242 5.~~(e)~~ At the conclusion of each investigation in which the
243 subject of the investigation is a specific entity contracting
244 with the state or an individual substantially affected as
245 defined by this section, and if the investigation is not
246 confidential or otherwise exempt from disclosure by law, the
247 inspector general shall, consistent with s. 119.07(1), submit
248 findings to the subject that is a specific entity contracting
249 with the state or an individual substantially affected, who
250 shall be advised in writing that they may submit a written

251 response within 20 working days after receipt of the findings.
252 Such response and the inspector general's rebuttal to the
253 response, if any, shall be included in the final investigative
254 report.

255 6.~~(f)~~ Submit in a timely fashion final reports on
256 investigations conducted by the inspector general to the agency
257 head, except for whistle-blower's investigations, which shall be
258 conducted and reported pursuant to s. 112.3189.

259 (b) The inspector general and his or her staff may take
260 and record testimony or statements of any person as reasonably
261 necessary for the furtherance of an investigation or review
262 undertaken by the inspector general.

263 (8)

264 (c) The final reports prepared pursuant to paragraphs (a)
265 and (b) shall be provided to the heads of the respective
266 agencies and, for state agencies under the jurisdiction of the
267 Governor, the Chief Inspector General. Such reports shall
268 include, but need not be limited to:

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

271 2. A description of significant abuses and deficiencies
272 relating to the administration of programs and operations of the
273 agency disclosed by investigations, audits, reviews, or other
274 activities during the reporting period.

275 3. A description of the recommendations for corrective

276 action made by the inspector general during the reporting period
277 with respect to significant problems, abuses, or deficiencies
278 identified.

279 4. The identification of each significant recommendation
280 described in previous annual reports on which corrective action
281 has not been completed.

282 5. A summary of each audit and investigation completed
283 during the reporting period.

284 6. Any increase or decrease in the total allocations or
285 total expenditures in the inspector general's budget for the
286 preceding state fiscal year compared to the total allocations or
287 total expenditures in the budget for the prior state fiscal year
288 and any increase or decrease in the number of permanent,
289 temporary, loaned, grant-funded, or full-time equivalent staff
290 within the office of the inspector general.

291 (10) Each agency inspector general shall, to the extent
292 both necessary and practicable, include on his or her staff
293 individuals with information technology ~~electronic data~~
294 ~~processing~~ auditing experience.

295 Section 3. Paragraph (a) of subsection (2) of section
296 20.121, Florida Statutes, is amended to read:

297 20.121 Department of Financial Services.—There is created
298 a Department of Financial Services.

299 (2) DIVISIONS.—The Department of Financial Services shall
300 consist of the following divisions and office:

301 (a) The Division of Accounting and Auditing. Any auditor
302 employed within the division is included in the Selected Exempt
303 Service as provided in chapter 110.

304 Section 4. This act shall take effect July 1, 2017.