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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/17/2017	.	
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The Committee on Governmental Oversight and Accountability  
(Baxley) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

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

14.32 Office of Chief Inspector General.—

(1) There is created in the Executive Office of the  
Governor the Office of Chief Inspector General. The Chief



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11 Inspector General is responsible for promoting accountability,  
12 integrity, and efficiency in the agencies under the jurisdiction  
13 of the Governor. The Chief Inspector General shall be appointed  
14 by and serve at the pleasure of the Governor and must meet the  
15 qualifications specified in s. 20.055(4). However, upon a change  
16 in Governors or reelection of the Governor, the Governor shall  
17 appoint, or may reappoint, a Chief Inspector General before  
18 adjournment sine die of the first regular session of the  
19 Legislature that convenes after such change in Governors or  
20 reelection of the Governor. The Chief Inspector General shall,  
21 at all times, have open and direct access to the Governor.

22 (2) The Chief Inspector General shall:

23 (1) Prepare an annual report that summarizes the activities  
24 performed in compliance with this section and includes an  
25 aggregate of significant budgetary or administrative changes  
26 contained in annual reports prepared by inspectors general for  
27 state agencies under the jurisdiction of the Governor pursuant  
28 to s. 20.055(8).

29 Section 2. Subsections (4), (6), and (7), paragraph (c) of  
30 subsection (8), and subsection (10) of section 20.055, Florida  
31 Statutes, are amended to read:

32 20.055 Agency inspectors general.—

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

37 1. A bachelor's degree from an accredited college or  
38 university with a major in accounting, or with a major in  
39 business which includes five courses in accounting, and 5 years



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40 of experience as an internal auditor or independent postauditor,  
41 information technology ~~electronic data processing~~ auditor,  
42 accountant, or any combination thereof. The experience shall at  
43 a minimum consist of audits of units of government or private  
44 business enterprises, operating for profit or not for profit; or

45 2. A master's degree in accounting, business  
46 administration, or public administration from an accredited  
47 college or university and 4 years of experience as required in  
48 subparagraph 1.; or

49 3. A certified public accountant license issued pursuant to  
50 chapter 473 or a certified internal audit certificate issued by  
51 the Institute of Internal Auditors or earned by examination, and  
52 4 years of experience as required in subparagraph 1.

53 (b) For agencies under the jurisdiction of the Governor,  
54 the inspector general shall be selected on the basis of  
55 integrity, leadership capability, and experience in accounting,  
56 auditing, fraud examination, financial analysis, law, management  
57 analysis, program evaluation, public administration,  
58 investigation, criminal justice administration, or other closely  
59 related field. The inspector general is subject to a level 2  
60 background screening pursuant to chapter 435. The inspector  
61 general shall have a 4-year degree from an accredited  
62 institution of higher learning or have at least 5 years of  
63 experience in at least one of the following areas:

64 1. Inspector general.

65 2. Supervisory experience in an office of inspector general  
66 or an investigative public agency similar to an office of  
67 inspector general.

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



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69           4. Local, state, or federal court judge.  
70           5. Senior-level auditor or comptroller.  
71           6. The administration and management of complex audits and  
72 investigations.  
73           7. Managing programs for information security, prevention,  
74 examination, detection, elimination of fraud, waste, abuse,  
75 mismanagement, malfeasance, or misconduct in government or other  
76 organizations.  
77  
78 An advanced degree in law, accounting, public administration, or  
79 other relevant field may substitute for 1 year of required  
80 experience.  
81           (c) The inspector general shall possess at appointment, or  
82 obtain within the first year after appointment, a certification  
83 from the Association of Inspectors General as a certified  
84 inspector general. The inspector general must have one or more  
85 other professional certifications, such as certified inspector  
86 general investigator, certified inspector general auditor,  
87 certified public accountant, certified internal auditor,  
88 certified governmental financial manager, or certified fraud  
89 examiner, certified financial crimes investigator or other  
90 related certification, or be a licensed attorney.  
91           (d) The inspector general may not hold, or be a candidate  
92 for, an elective office of the state or a municipality, county,  
93 or other political subdivision of the state while inspector  
94 general, and a current officer or employee of an office of  
95 inspector general may not hold, or be a candidate for, an  
96 elective office of the state or a municipality, county, or other  
97 political subdivision of the state. The inspector general shall



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98 be appointed without regard to political affiliation. The  
99 inspector general may not hold office in a political party or  
100 political committee. An employee of an office of inspector  
101 general may not hold office in a political party or political  
102 committee while employed in the office of inspector general.

103 (6) In carrying out the auditing duties and  
104 responsibilities of this section ~~act~~, each inspector general  
105 shall review and evaluate internal controls necessary to ensure  
106 the fiscal accountability of the state agency. The inspector  
107 general shall conduct financial, compliance, information  
108 technology ~~electronic data processing~~, and performance audits of  
109 the agency and prepare audit reports of his or her findings. The  
110 scope and assignment of the audits shall be determined by the  
111 inspector general; however, the agency head may at any time  
112 request the inspector general to perform an audit of a special  
113 program, function, or organizational unit. The performance of  
114 the audit shall be under the direction of the inspector general,  
115 except that if the inspector general does not possess the  
116 qualifications specified in subsection (4), the director of  
117 auditing shall perform the functions listed in this subsection.

118 (a) Such audits shall be conducted in accordance with the  
119 current International Standards for the Professional Practice of  
120 Internal Auditing as published by the Institute of Internal  
121 Auditors, Inc., or, where appropriate, in accordance with  
122 generally accepted governmental auditing standards. All audit  
123 reports issued by internal audit staff shall include a statement  
124 that the audit was conducted pursuant to the appropriate  
125 standards.

126 (b) Audit workpapers and reports shall be public records to



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127 the extent that they do not include information which has been  
128 made confidential and exempt from the provisions of s. 119.07(1)  
129 pursuant to law. However, when the inspector general or a member  
130 of the staff receives from an individual a complaint or  
131 information that falls within the definition provided in s.  
132 112.3187(5), the name or identity of the individual may not be  
133 disclosed to anyone else without the written consent of the  
134 individual, unless the inspector general determines that such  
135 disclosure is unavoidable during the course of the audit or  
136 investigation.

137 (c) The inspector general and the staff shall have access  
138 to any records, data, and other information of the state agency  
139 he or she deems necessary to carry out his or her duties. The  
140 inspector general may also request such information or  
141 assistance as may be necessary from the state agency or from any  
142 federal, state, or local government entity.

143 (d) At the conclusion of each audit, the inspector general  
144 shall submit preliminary findings and recommendations to the  
145 person responsible for supervision of the program function or  
146 operational unit who shall respond to any adverse findings  
147 within 20 working days after receipt of the preliminary  
148 findings. Such response and the inspector general's rebuttal to  
149 the response shall be included in the final audit report.

150 (e) At the conclusion of an audit in which the subject of  
151 the audit is a specific entity contracting with the state or an  
152 individual substantially affected, if the audit is not  
153 confidential or otherwise exempt from disclosure by law, the  
154 inspector general shall, consistent with s. 119.07(1), submit  
155 the findings to the entity contracting with the state or the



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156 individual substantially affected, who shall be advised in  
157 writing that they may submit a written response within 20  
158 working days after receipt of the findings. The response and the  
159 inspector general's rebuttal to the response, if any, must be  
160 included in the final audit report.

161 (f) The inspector general shall submit the final report to  
162 the agency head, the Auditor General, and, for state agencies  
163 under the jurisdiction of the Governor, the Chief Inspector  
164 General.

165 (g) The Auditor General, in connection with the independent  
166 postaudit of the same agency pursuant to s. 11.45, shall give  
167 appropriate consideration to internal audit reports and the  
168 resolution of findings therein. The Legislative Auditing  
169 Committee may inquire into the reasons or justifications for  
170 failure of the agency head to correct the deficiencies reported  
171 in internal audits that are also reported by the Auditor General  
172 and shall take appropriate action.

173 (h) The inspector general shall monitor the implementation  
174 of the state agency's response to any report on the state agency  
175 issued by the Auditor General or by the Office of Program Policy  
176 Analysis and Government Accountability. No later than 6 months  
177 after the Auditor General or the Office of Program Policy  
178 Analysis and Government Accountability publishes a report on the  
179 state agency, the inspector general shall provide a written  
180 response to the agency head or, for state agencies under the  
181 jurisdiction of the Governor, the Chief Inspector General on the  
182 status of corrective actions taken. The inspector general shall  
183 file a copy of such response with the Legislative Auditing  
184 Committee.



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185 (i) The inspector general shall develop long-term and  
186 annual audit plans based on the findings of periodic risk  
187 assessments. The plan, where appropriate, should include  
188 postaudit samplings of payments and accounts. The plan shall  
189 show the individual audits to be conducted during each year and  
190 related resources to be devoted to the respective audits. The  
191 Chief Financial Officer, to assist in fulfilling the  
192 responsibilities for examining, auditing, and settling accounts,  
193 claims, and demands pursuant to s. 17.03(1), and examining,  
194 auditing, adjusting, and settling accounts pursuant to s. 17.04,  
195 may use audits performed by the inspectors general and internal  
196 auditors. For state agencies under the jurisdiction of the  
197 Governor, the audit plans shall be submitted to the Chief  
198 Inspector General. The plan shall be submitted to the agency  
199 head for approval. A copy of the approved plan shall be  
200 submitted to the Auditor General.

201 (7)(a) In carrying out the investigative duties and  
202 responsibilities specified in this section, each inspector  
203 general shall initiate, conduct, supervise, and coordinate  
204 investigations designed to detect, deter, prevent, and eradicate  
205 fraud, waste, mismanagement, misconduct, and other abuses in  
206 state government. For these purposes, each inspector general  
207 shall:

208 1.~~(a)~~ Receive complaints and coordinate all activities of  
209 the agency as required by the Whistle-blower's Act pursuant to  
210 ss. 112.3187-112.31895.

211 2.~~(b)~~ Receive and consider the complaints that ~~which~~ do not  
212 meet the criteria for an investigation under the Whistle-  
213 blower's Act and conduct, supervise, or coordinate such





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214 inquiries, investigations, or reviews as the inspector general  
215 deems appropriate.

216 3.~~(e)~~ Report expeditiously to the Department of Law  
217 Enforcement or other law enforcement agencies, as appropriate,  
218 whenever the inspector general has reasonable grounds to believe  
219 that there has been a violation of criminal law.

220 4.~~(d)~~ Conduct investigations and other inquiries free of  
221 actual or perceived impairment to the independence of the  
222 inspector general or the inspector general's office. This shall  
223 include freedom from any interference with investigations and  
224 timely access to records and other sources of information.

225 5.~~(e)~~ At the conclusion of each investigation in which the  
226 subject of the investigation is a specific entity contracting  
227 with the state or an individual substantially affected as  
228 defined by this section, and if the investigation is not  
229 confidential or otherwise exempt from disclosure by law, the  
230 inspector general shall, consistent with s. 119.07(1), submit  
231 findings to the subject that is a specific entity contracting  
232 with the state or an individual substantially affected, who  
233 shall be advised in writing that they may submit a written  
234 response within 20 working days after receipt of the findings.  
235 Such response and the inspector general's rebuttal to the  
236 response, if any, shall be included in the final investigative  
237 report.

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

242 (b) The inspector general and his or her staff may take and



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243 record testimony or statements of any person as reasonably  
244 necessary for the furtherance of an investigation or a review  
245 undertaken by the inspector general.

246 (8)

247 (c) The final reports prepared pursuant to paragraphs (a)  
248 and (b) shall be provided to the heads of the respective  
249 agencies and, for state agencies under the jurisdiction of the  
250 Governor, the Chief Inspector General. Such reports shall  
251 include, but need not be limited to:

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

254 2. A description of significant abuses and deficiencies  
255 relating to the administration of programs and operations of the  
256 agency disclosed by investigations, audits, reviews, or other  
257 activities during the reporting period.

258 3. A description of the recommendations for corrective  
259 action made by the inspector general during the reporting period  
260 with respect to significant problems, abuses, or deficiencies  
261 identified.

262 4. The identification of each significant recommendation  
263 described in previous annual reports on which corrective action  
264 has not been completed.

265 5. A summary of each audit and investigation completed  
266 during the reporting period.

267 6. Any increase or decrease in the total allocations or  
268 total expenditures in the inspector general's budget for the  
269 preceding state fiscal year compared to the total allocations or  
270 total expenditures in the budget for the prior state fiscal year  
271 and any increase or decrease in the number of permanent,



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272 temporary, loaned, grant-funded, or full-time equivalent staff  
273 within the office of the inspector general.

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

278 Section 3. Paragraphs (y) and (z) are added to subsection  
279 (2) of section 110.205, Florida Statutes, to read:

280 110.205 Career service; exemptions.—

281 (2) EXEMPT POSITIONS.—The exempt positions that are not  
282 covered by this part include the following:

283 (y) All employees of an office of an agency inspector  
284 general shall be assigned to the Selected Exempt Service, except  
285 for agency inspectors general, who shall be included in the  
286 Senior Management Service.

287 (z) Auditors employed within the Division of Accounting and  
288 Auditing of the Department of Financial Services. Unless  
289 otherwise fixed by law, the Department of Financial Services  
290 shall establish the salary and benefits for these positions in  
291 accordance with the rules established for the Selected Exempt  
292 Service.

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

294  
295 ===== T I T L E A M E N D M E N T =====

296 And the title is amended as follows:

297 Delete everything before the enacting clause  
298 and insert:

299 A bill to be entitled

300 An act relating to inspectors general and auditors;



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301 amending s. 14.32, F.S.; requiring the Chief Inspector  
302 General to meet specified qualifications applicable to  
303 agency inspectors general, to have open and direct  
304 access to the Governor, and to prepare an annual  
305 report containing specified information; amending s.  
306 20.055, F.S.; revising the qualifications of agency  
307 inspectors general; revising the auditing duties and  
308 responsibilities of agency inspectors general to  
309 include the performance of information technology  
310 audits; authorizing an agency inspector general and  
311 staff to take and record testimony or statements  
312 necessary to conduct an investigation or a review;  
313 requiring each agency inspector general to include  
314 specified budgetary and staffing information in an  
315 annual report; revising terminology; amending s.  
316 110.205, F.S.; exempting employees of an office of an  
317 agency inspector general and auditors of the Division  
318 of Accounting and Auditing of the Department of  
319 Financial Services from the Career Service System;  
320 providing an effective date.