

**By** the Committee on Governmental Oversight and Accountability;  
and Senator Baxley

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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 the qualifications of agency  
9       inspectors general; revising the auditing duties and  
10      responsibilities of agency inspectors general to  
11      include the performance of information technology  
12      audits; authorizing an agency inspector general and  
13      staff to take and record testimony or statements  
14      necessary to conduct an investigation or a review;  
15      requiring each agency inspector general to include  
16      specified budgetary and staffing information in an  
17      annual report; revising terminology; amending s.  
18      110.205, F.S.; exempting employees of an office of an  
19      agency inspector general and auditors of the Division  
20      of Accounting and Auditing of the Department of  
21      Financial Services from the Career Service System;  
22      providing an effective date.

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

25  
26       Section 1. Subsection (1) of section 14.32, Florida  
27   Statutes, is amended, and paragraph (1) is added to subsection  
28   (2) of that section, to read:

29       14.32 Office of Chief Inspector General.—

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

43 (2) The Chief Inspector General shall:

44 (1) Prepare an annual report that summarizes the activities  
45 performed in compliance with this section and includes an  
46 aggregate of significant budgetary or administrative changes  
47 contained in annual reports prepared by inspectors general for  
48 state agencies under the jurisdiction of the Governor pursuant  
49 to s. 20.055(8).

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

53 20.055 Agency inspectors general.—

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

58 1. A bachelor's degree from an accredited college or

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59 university with a major in accounting, or with a major in  
60 business which includes five courses in accounting, and 5 years  
61 of experience as an internal auditor or independent postauditor,  
62 information technology ~~electronic data processing~~ auditor,  
63 accountant, or any combination thereof. The experience shall at  
64 a minimum consist of audits of units of government or private  
65 business enterprises, operating for profit or not for profit; or

66 2. A master's degree in accounting, business  
67 administration, or public administration from an accredited  
68 college or university and 4 years of experience as required in  
69 subparagraph 1.; or

70 3. A certified public accountant license issued pursuant to  
71 chapter 473 or a certified internal audit certificate issued by  
72 the Institute of Internal Auditors or earned by examination, and  
73 4 years of experience as required in subparagraph 1.

74 (b) For agencies under the jurisdiction of the Governor,  
75 the inspector general shall be selected on the basis of  
76 integrity, leadership capability, and experience in accounting,  
77 auditing, fraud examination, financial analysis, law, management  
78 analysis, program evaluation, public administration,  
79 investigation, criminal justice administration, or other closely  
80 related field. The inspector general is subject to a level 2  
81 background screening pursuant to chapter 435. The inspector  
82 general shall have a 4-year degree from an accredited  
83 institution of higher learning or have at least 5 years of  
84 experience in at least one of the following areas:

85 1. Inspector general.

86 2. Supervisory experience in an office of inspector general  
87 or an investigative public agency similar to an office of

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88 inspector general.

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

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

91 5. Senior-level auditor or comptroller.

92 6. The administration and management of complex audits and  
93 investigations.

94 7. Managing programs for information security, prevention,  
95 examination, detection, elimination of fraud, waste, abuse,  
96 mismanagement, malfeasance, or misconduct in government or other  
97 organizations.

98

99 An advanced degree in law, accounting, public administration, or  
100 other relevant field may substitute for 1 year of required  
101 experience.

102 (c) The inspector general shall possess at appointment, or  
103 obtain within the first year after appointment, a certification  
104 from the Association of Inspectors General as a certified  
105 inspector general. The inspector general must have one or more  
106 other professional certifications, such as certified inspector  
107 general investigator, certified inspector general auditor,  
108 certified public accountant, certified internal auditor,  
109 certified governmental financial manager, or certified fraud  
110 examiner, certified financial crimes investigator or other  
111 related certification, or be a licensed attorney.

112 (d) The inspector general may not hold, or be a candidate  
113 for, an elective office of the state or a municipality, county,  
114 or other political subdivision of the state while inspector  
115 general, and a current officer or employee of an office of  
116 inspector general may not hold, or be a candidate for, an

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117 elective office of the state or a municipality, county, or other  
118 political subdivision of the state. The inspector general shall  
119 be appointed without regard to political affiliation. The  
120 inspector general may not hold office in a political party or  
121 political committee. An employee of an office of inspector  
122 general may not hold office in a political party or political  
123 committee while employed in the office of inspector general.

124 (6) In carrying out the auditing duties and  
125 responsibilities of this section ~~act~~, each inspector general  
126 shall review and evaluate internal controls necessary to ensure  
127 the fiscal accountability of the state agency. The inspector  
128 general shall conduct financial, compliance, information  
129 technology ~~electronic data processing~~, and performance audits of  
130 the agency and prepare audit reports of his or her findings. The  
131 scope and assignment of the audits shall be determined by the  
132 inspector general; however, the agency head may at any time  
133 request the inspector general to perform an audit of a special  
134 program, function, or organizational unit. The performance of  
135 the audit shall be under the direction of the inspector general,  
136 except that if the inspector general does not possess the  
137 qualifications specified in subsection (4), the director of  
138 auditing shall perform the functions listed in this subsection.

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

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146 standards.

147 (b) Audit workpapers and reports shall be public records to  
148 the extent that they do not include information which has been  
149 made confidential and exempt from the provisions of s. 119.07(1)  
150 pursuant to law. However, when the inspector general or a member  
151 of the staff receives from an individual a complaint or  
152 information that falls within the definition provided in s.  
153 112.3187(5), the name or identity of the individual may not be  
154 disclosed to anyone else without the written consent of the  
155 individual, unless the inspector general determines that such  
156 disclosure is unavoidable during the course of the audit or  
157 investigation.

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

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

171 (e) At the conclusion of an audit in which the subject of  
172 the audit is a specific entity contracting with the state or an  
173 individual substantially affected, if the audit is not  
174 confidential or otherwise exempt from disclosure by law, the

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175 inspector general shall, consistent with s. 119.07(1), submit  
176 the findings to the entity contracting with the state or the  
177 individual substantially affected, who shall be advised in  
178 writing that they may submit a written response within 20  
179 working days after receipt of the findings. The response and the  
180 inspector general's rebuttal to the response, if any, must be  
181 included in the final audit report.

182 (f) The inspector general shall submit the final report to  
183 the agency head, the Auditor General, and, for state agencies  
184 under the jurisdiction of the Governor, the Chief Inspector  
185 General.

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

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

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204 file a copy of such response with the Legislative Auditing  
205 Committee.

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

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

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

232 2. ~~(b)~~ Receive and consider the complaints that ~~which~~ do not



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233 meet the criteria for an investigation under the Whistle-  
234 blower's Act and conduct, supervise, or coordinate such  
235 inquiries, investigations, or reviews as the inspector general  
236 deems appropriate.

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

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

246 5.~~(e)~~ At the conclusion of each investigation in which the  
247 subject of the investigation is a specific entity contracting  
248 with the state or an individual substantially affected as  
249 defined by this section, and if the investigation is not  
250 confidential or otherwise exempt from disclosure by law, the  
251 inspector general shall, consistent with s. 119.07(1), submit  
252 findings to the subject that is a specific entity contracting  
253 with the state or an individual substantially affected, who  
254 shall be advised in writing that they may submit a written  
255 response within 20 working days after receipt of the findings.  
256 Such response and the inspector general's rebuttal to the  
257 response, if any, shall be included in the final investigative  
258 report.

259 6.~~(f)~~ Submit in a timely fashion final reports on  
260 investigations conducted by the inspector general to the agency  
261 head, except for whistle-blower's investigations, which shall be

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262 conducted and reported pursuant to s. 112.3189.

263 (b) The inspector general and his or her staff may take and  
264 record testimony or statements of any person as reasonably  
265 necessary for the furtherance of an investigation or a review  
266 undertaken by the inspector general.

267 (8)

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

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

275 2. A description of significant abuses and deficiencies  
276 relating to the administration of programs and operations of the  
277 agency disclosed by investigations, audits, reviews, or other  
278 activities during the reporting period.

279 3. A description of the recommendations for corrective  
280 action made by the inspector general during the reporting period  
281 with respect to significant problems, abuses, or deficiencies  
282 identified.

283 4. The identification of each significant recommendation  
284 described in previous annual reports on which corrective action  
285 has not been completed.

286 5. A summary of each audit and investigation completed  
287 during the reporting period.

288 6. Any increase or decrease in the total allocations or  
289 total expenditures in the inspector general's budget for the  
290 preceding state fiscal year compared to the total allocations or

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291 total expenditures in the budget for the prior state fiscal year  
292 and any increase or decrease in the number of permanent,  
293 temporary, loaned, grant-funded, or full-time equivalent staff  
294 within the office of the inspector general.

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

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

301 110.205 Career service; exemptions.—

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

304 (y) All employees of an office of an agency inspector  
305 general shall be assigned to the Selected Exempt Service, except  
306 for agency inspectors general, who shall be included in the  
307 Senior Management Service.

308 (z) Auditors employed within the Division of Accounting and  
309 Auditing of the Department of Financial Services. Unless  
310 otherwise fixed by law, the Department of Financial Services  
311 shall establish the salary and benefits for these positions in  
312 accordance with the rules established for the Selected Exempt  
313 Service.

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