

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

| | | |
|-----------------------|-------------|-------|
| ADOPTED | <u> </u> | (Y/N) |
| ADOPTED AS AMENDED | <u> </u> | (Y/N) |
| ADOPTED W/O OBJECTION | <u> </u> | (Y/N) |
| FAILED TO ADOPT | <u> </u> | (Y/N) |
| WITHDRAWN | <u> </u> | (Y/N) |
| OTHER | <u> </u> | |

1 Committee/Subcommittee hearing bill: Oversight, Transparency &
2 Administration Subcommittee

3 Representative Metz offered the following:

4

5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Subsection (2) of section 11.40, Florida

8 Statutes, is amended to read:

9 11.40 Legislative Auditing Committee.—

10 (2) Following notification by the Auditor General, the
11 Department of Financial Services, or the Division of Bond
12 Finance of the State Board of Administration, the Governor or
13 his or her designee, or the Commissioner of Education or his or
14 her designee of the failure of a local governmental entity,
15 district school board, charter school, or charter technical
16 career center to comply with the applicable provisions within s.

Amendment No. 1

17 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
18 Legislative Auditing Committee may schedule a hearing to
19 determine if the entity should be subject to further state
20 action. If the committee determines that the entity should be
21 subject to further state action, the committee shall:

22 (a) In the case of a local governmental entity or district
23 school board, direct the Department of Revenue and the
24 Department of Financial Services to withhold any funds not
25 pledged for bond debt service satisfaction which are payable to
26 such entity until the entity complies with the law. The
27 committee shall specify the date that such action must ~~shall~~
28 begin, and the directive must be received by the Department of
29 Revenue and the Department of Financial Services 30 days before
30 the date of the distribution mandated by law. The Department of
31 Revenue and the Department of Financial Services may implement
32 ~~the provisions of~~ this paragraph.

33 (b) In the case of a special district created by:

34 1. A special act, notify the President of the Senate, the
35 Speaker of the House of Representatives, the standing committees
36 of the Senate and the House of Representatives charged with
37 special district oversight as determined by the presiding
38 officers of each respective chamber, the legislators who
39 represent a portion of the geographical jurisdiction of the
40 special district, and the Department of Economic Opportunity
41 that the special district has failed to comply with the law.

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

42 Upon receipt of notification, the Department of Economic
43 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.
44 If the special district remains in noncompliance after the
45 process set forth in s. 189.0651, or if a public hearing is not
46 held, the Legislative Auditing Committee may request the
47 department to proceed pursuant to s. 189.067(3).

48 2. A local ordinance, notify the chair or equivalent of
49 the local general-purpose government pursuant to s. 189.0652 and
50 the Department of Economic Opportunity that the special district
51 has failed to comply with the law. Upon receipt of notification,
52 the department shall proceed pursuant to s. 189.062 or s.
53 189.067. If the special district remains in noncompliance after
54 the process set forth in s. 189.0652, or if a public hearing is
55 not held, the Legislative Auditing Committee may request the
56 department to proceed pursuant to s. 189.067(3).

57 3. Any manner other than a special act or local ordinance,
58 notify the Department of Economic Opportunity that the special
59 district has failed to comply with the law. Upon receipt of
60 notification, the department shall proceed pursuant to s.
61 189.062 or s. 189.067(3).

62 (c) In the case of a charter school or charter technical
63 career center, notify the appropriate sponsoring entity, which
64 may terminate the charter pursuant to ss. 1002.33 and 1002.34.

65 Section 2. Subsection (1), paragraph (j) of subsection
66 (2), paragraph (u) of subsection (3), and paragraph (i) of

Amendment No. 1

67 subsection (7) of section 11.45, Florida Statutes, are amended,
68 and paragraph (x) is added to subsection (3) of that section to
69 read:

70 11.45 Definitions; duties; authorities; reports; rules.—

71 (1) DEFINITIONS.—As used in ss. 11.40-11.51, the term:

72 (a) "Abuse" means behavior that is deficient or improper
73 when compared with behavior that a prudent person would consider
74 a reasonable and necessary operational practice given the facts
75 and circumstances. The term includes the misuse of authority or
76 position for personal gain.

77 (b)-(a) "Audit" means a financial audit, operational audit,
78 or performance audit.

79 (c)-(b) "County agency" means a board of county
80 commissioners or other legislative and governing body of a
81 county, however styled, including that of a consolidated or
82 metropolitan government, a clerk of the circuit court, a
83 separate or ex officio clerk of the county court, a sheriff, a
84 property appraiser, a tax collector, a supervisor of elections,
85 or any other officer in whom any portion of the fiscal duties of
86 a body or officer expressly stated in this paragraph are the
87 above are under law separately placed by law.

88 (d)-(e) "Financial audit" means an examination of financial
89 statements in order to express an opinion on the fairness with
90 which they are presented in conformity with generally accepted
91 accounting principles and an examination to determine whether

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

92 operations are properly conducted in accordance with legal and
93 regulatory requirements. Financial audits must be conducted in
94 accordance with auditing standards generally accepted in the
95 United States and government auditing standards as adopted by
96 the Board of Accountancy. When applicable, the scope of
97 financial audits must ~~shall~~ encompass the additional activities
98 necessary to establish compliance with the Single Audit Act
99 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other
100 applicable federal law.

101 (e) "Fraud" means obtaining something of value through
102 willful misrepresentation, including, but not limited to, the
103 intentional misstatements or omissions of amounts or disclosures
104 in financial statements to deceive users of financial
105 statements, theft of an entity's assets, bribery, or the use of
106 one's position for personal enrichment through the deliberate
107 misuse or misapplication of an organization's resources.

108 (f) ~~(d)~~ "Governmental entity" means a state agency, a
109 county agency, or any other entity, however styled, that
110 independently exercises any type of state or local governmental
111 function.

112 (g) ~~(e)~~ "Local governmental entity" means a county agency,
113 municipality, tourist development council, county tourism
114 promotion agency, or special district as defined in s. 189.012.
115 The term, ~~but~~ does not include any housing authority established
116 under chapter 421.

Amendment No. 1

117 (h)~~(f)~~ "Management letter" means a statement of the
118 auditor's comments and recommendations.

119 (i)~~(g)~~ "Operational audit" means an audit whose purpose is
120 to evaluate management's performance in establishing and
121 maintaining internal controls, including controls designed to
122 prevent and detect fraud, waste, and abuse, and in administering
123 assigned responsibilities in accordance with applicable laws,
124 administrative rules, contracts, grant agreements, and other
125 guidelines. Operational audits must be conducted in accordance
126 with government auditing standards. Such audits examine internal
127 controls that are designed and placed in operation to promote
128 and encourage the achievement of management's control objectives
129 in the categories of compliance, economic and efficient
130 operations, reliability of financial records and reports, and
131 safeguarding of assets, and identify weaknesses in those
132 internal controls.

133 (j)~~(h)~~ "Performance audit" means an examination of a
134 program, activity, or function of a governmental entity,
135 conducted in accordance with applicable government auditing
136 standards or auditing and evaluation standards of other
137 appropriate authoritative bodies. The term includes an
138 examination of issues related to:

- 139 1. Economy, efficiency, or effectiveness of the program.
140 2. Structure or design of the program to accomplish its
141 goals and objectives.

Amendment No. 1

142 3. Adequacy of the program to meet the needs identified by
143 the Legislature or governing body.

144 4. Alternative methods of providing program services or
145 products.

146 5. Goals, objectives, and performance measures used by the
147 agency to monitor and report program accomplishments.

148 6. The accuracy or adequacy of public documents, reports,
149 or requests prepared under the program by state agencies.

150 7. Compliance of the program with appropriate policies,
151 rules, or laws.

152 8. Any other issues related to governmental entities as
153 directed by the Legislative Auditing Committee.

154 ~~(k)(i)~~ "Political subdivision" means a separate agency or
155 unit of local government created or established by law and
156 includes, but is not limited to, the following and the officers
157 thereof: authority, board, branch, bureau, city, commission,
158 consolidated government, county, department, district,
159 institution, metropolitan government, municipality, office,
160 officer, public corporation, town, or village.

161 ~~(l)(j)~~ "State agency" means a separate agency or unit of
162 state government created or established by law and includes, but
163 is not limited to, the following and the officers thereof:
164 authority, board, branch, bureau, commission, department,
165 division, institution, office, officer, or public corporation,
166 as the case may be, except any such agency or unit within the

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

167 legislative branch of state government other than the Florida
168 Public Service Commission.

169 (m) "Waste" means the act of using or expending resources
170 unreasonably, carelessly, extravagantly, or for no useful
171 purpose.

172 (2) DUTIES.—The Auditor General shall:

173 (j) Conduct audits of local governmental entities when
174 determined to be necessary by the Auditor General, when directed
175 by the Legislative Auditing Committee, or when otherwise
176 required by law. No later than 18 months after the release of
177 the audit report, the Auditor General shall perform such
178 appropriate followup procedures as he or she deems necessary to
179 determine the audited entity's progress in addressing the
180 findings and recommendations contained within the Auditor
181 General's previous report. The Auditor General shall notify each
182 member of the audited entity's governing body and the
183 Legislative Auditing Committee of the results of his or her
184 determination. For purposes of this paragraph, local
185 governmental entities do not include water management districts.

186
187 The Auditor General shall perform his or her duties
188 independently but under the general policies established by the
189 Legislative Auditing Committee. This subsection does not limit
190 the Auditor General's discretionary authority to conduct other
191 audits or engagements of governmental entities as authorized in

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

192 subsection (3).

193 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The
194 Auditor General may, pursuant to his or her own authority, or at
195 the direction of the Legislative Auditing Committee, conduct
196 audits or other engagements as determined appropriate by the
197 Auditor General of:

198 (u) The Florida Virtual School ~~pursuant to s. 1002.37.~~

199 (x) Tourist development councils and county tourism
200 promotion agencies.

201 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

202 (i) The Auditor General shall annually transmit by July
203 15, to the President of the Senate, the Speaker of the House of
204 Representatives, and the Department of Financial Services, a
205 list of all school districts, charter schools, charter technical
206 career centers, Florida College System institutions, state
207 universities, and local governmental entities ~~water management~~
208 ~~districts~~ that have failed to comply with the transparency
209 requirements as identified in the audit reports reviewed
210 pursuant to paragraph (b) and those conducted pursuant to
211 subsection (2).

212 Section 3. Paragraph (d) of subsection (2) of section
213 28.35, Florida Statutes, is amended to read:

214 28.35 Florida Clerks of Court Operations Corporation.—

215 (2) The duties of the corporation shall include the
216 following:

Amendment No. 1

217 (d) Developing and certifying a uniform system of workload
218 measures and applicable workload standards for court-related
219 functions as developed by the corporation and clerk workload
220 performance in meeting the workload performance standards. These
221 workload measures and workload performance standards shall be
222 designed to facilitate an objective determination of the
223 performance of each clerk in accordance with minimum standards
224 for fiscal management, operational efficiency, and effective
225 collection of fines, fees, service charges, and court costs. The
226 corporation shall develop the workload measures and workload
227 performance standards in consultation with the Legislature. When
228 the corporation finds a clerk has not met the workload
229 performance standards, the corporation shall identify the nature
230 of each deficiency and any corrective action recommended and
231 taken by the affected clerk of the court. For quarterly periods
232 ending on the last day of March, June, September, and December
233 of each year, the corporation shall notify the Legislature of
234 any clerk not meeting workload performance standards and provide
235 a copy of any corrective action plans. Such notifications shall
236 be submitted no later than 45 days after the end of the
237 preceding quarterly period. As used in this subsection, the
238 term:

239 1. "Workload measures" means the measurement of the
240 activities and frequency of the work required for the clerk to
241 adequately perform the court-related duties of the office as

Amendment No. 1

242 defined by the membership of the Florida Clerks of Court
243 Operations Corporation.

244 2. "Workload performance standards" means the standards
245 developed to measure the timeliness and effectiveness of the
246 activities that are accomplished by the clerk in the performance
247 of the court-related duties of the office as defined by the
248 membership of the Florida Clerks of Court Operations
249 Corporation.

250 Section 4. Subsections (6) and (7) of section 43.16,
251 Florida Statutes, are renumbered as subsections (7) and (8),
252 respectively, and a new subsection (6) is added to that section
253 to read:

254 43.16 Justice Administrative Commission; membership,
255 powers and duties.—

256 (6) The commission, each state attorney, each public
257 defender, the criminal conflict and civil regional counsel, the
258 capital collateral regional counsel, and the Guardian Ad Litem
259 Program shall establish and maintain internal controls designed
260 to:

261 (a) Prevent and detect fraud, waste, and abuse as defined
262 by s. 11.45(1).

263 (b) Promote and encourage compliance with applicable laws,
264 rules, contracts, grant agreements, and best practices.

265 (c) Support economical and efficient operations.

266 (d) Ensure reliability of financial records and reports.

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

267 (e) Safeguard assets.

268 Section 5. Subsection (6) of section 112.061, Florida
269 Statutes, is amended to read:

270 112.061 Per diem and travel expenses of public officers,
271 employees, and authorized persons.—

272 (6) RATES OF PER DIEM AND SUBSISTENCE ALLOWANCE.—For
273 purposes of reimbursement rates and methods of calculation, per
274 diem and subsistence allowances are provided as follows:

275 (a) All travelers shall be allowed for subsistence when
276 traveling to a convention or conference or when traveling within
277 or outside the state in order to conduct bona fide state
278 business, which convention, conference, or business serves a
279 direct and lawful public purpose with relation to the public
280 agency served by the person attending such meeting or conducting
281 such business, either of the following for each day of such
282 travel at the option of the traveler:

283 1. Eighty dollars per diem; or

284 2. If actual expenses exceed \$80, the amounts permitted in
285 paragraph (b) for subsistence, plus actual expenses for lodging
286 at a single-occupancy rate, except as provided in paragraph (c),
287 to be substantiated by paid bills therefor.

288

289 When lodging or meals are provided at a state institution, the
290 traveler shall be reimbursed only for the actual expenses of
291 such lodging or meals, not to exceed the maximum provided for in

Amendment No. 1

292 | this subsection.

293 | (b) All travelers shall be allowed the following amounts
294 | for subsistence while on Class C travel on official business as
295 | provided in paragraph (5) (b):

- 296 | 1. Breakfast.....\$6
297 | 2. Lunch.....\$11
298 | 3. Dinner.....\$19

299 | (c) Actual expenses for lodging associated with the
300 | attendance of an employee of a state agency or the judicial
301 | branch at a meeting, conference, or convention organized or
302 | sponsored in whole or in part by a state agency or the judicial
303 | branch may not exceed \$150 per day. However, an employee may
304 | expend his or her own funds for any lodging expenses that exceed
305 | \$150 per day.

306 | ~~(d)(e)~~ No one, whether traveling out of state or in state,
307 | shall be reimbursed for any meal or lodging included in a
308 | convention or conference registration fee paid by the state.

309 | Section 6. Paragraph (c) of subsection (3) of section
310 | 129.03, Florida Statutes, is amended to read:

311 | 129.03 Preparation and adoption of budget.—

312 | (3) The county budget officer, after tentatively
313 | ascertaining the proposed fiscal policies of the board for the
314 | next fiscal year, shall prepare and present to the board a
315 | tentative budget for the next fiscal year for each of the funds
316 | provided in this chapter, including all estimated receipts,

Amendment No. 1

317 taxes to be levied, and balances expected to be brought forward
318 and all estimated expenditures, reserves, and balances to be
319 carried over at the end of the year.

320 (c) The board shall hold public hearings to adopt
321 tentative and final budgets pursuant to s. 200.065. The hearings
322 shall be primarily for the purpose of hearing requests and
323 complaints from the public regarding the budgets and the
324 proposed tax levies and for explaining the budget and any
325 proposed or adopted amendments. The tentative budget must be
326 posted on the county's official website at least 2 days before
327 the public hearing to consider such budget and must remain on
328 the website for at least 45 days. The final budget must be
329 posted on the website within 30 days after adoption and must
330 remain on the website for at least 2 years. The tentative
331 budgets, adopted tentative budgets, and final budgets shall be
332 filed in the office of the county auditor as a public record.
333 Sufficient reference in words and figures to identify the
334 particular transactions must ~~shall~~ be made in the minutes of the
335 board to record its actions with reference to the budgets.

336 Section 7. Paragraph (f) of subsection (2) of section
337 129.06, Florida Statutes, is amended to read:

338 129.06 Execution and amendment of budget.—

339 (2) The board at any time within a fiscal year may amend a
340 budget for that year, and may within the first 60 days of a
341 fiscal year amend the budget for the prior fiscal year, as

Amendment No. 1

342 follows:

343 (f) Unless otherwise prohibited by law, if an amendment to
344 a budget is required for a purpose not specifically authorized
345 in paragraphs (a)-(e), the amendment may be authorized by
346 resolution or ordinance of the board of county commissioners
347 adopted following a public hearing.

348 1. The public hearing must be advertised at least 2 days,
349 but not more than 5 days, before the date of the hearing. The
350 advertisement must appear in a newspaper of paid general
351 circulation and must identify the name of the taxing authority,
352 the date, place, and time of the hearing, and the purpose of the
353 hearing. The advertisement must also identify each budgetary
354 fund to be amended, the source of the funds, the use of the
355 funds, and the total amount of each fund's appropriations.

356 2. If the board amends the budget pursuant to this
357 paragraph, the adopted amendment must be posted on the county's
358 official website within 5 days after adoption and must remain on
359 the website for at least 2 years.

360 Section 8. Subsections (3) and (5) of section 166.241,
361 Florida Statutes, are amended to read:

362 166.241 Fiscal years, budgets, and budget amendments.—

363 (3) The tentative budget must be posted on the
364 municipality's official website at least 2 days before the
365 budget hearing, held pursuant to s. 200.065 or other law, to
366 consider such budget and must remain on the website for at least

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

367 45 days. The final adopted budget must be posted on the
368 municipality's official website within 30 days after adoption
369 and must remain on the website for at least 2 years. If the
370 municipality does not operate an official website, the
371 municipality must, within a reasonable period of time as
372 established by the county or counties in which the municipality
373 is located, transmit the tentative budget and final budget to
374 the manager or administrator of such county or counties who
375 shall post the budgets on the county's website.

376 (5) If the governing body of a municipality amends the
377 budget pursuant to paragraph (4) (c), the adopted amendment must
378 be posted on the official website of the municipality within 5
379 days after adoption and must remain on the website for at least
380 2 years. If the municipality does not operate an official
381 website, the municipality must, within a reasonable period of
382 time as established by the county or counties in which the
383 municipality is located, transmit the adopted amendment to the
384 manager or administrator of such county or counties who shall
385 post the adopted amendment on the county's website.

386 Section 9. Section 215.86, Florida Statutes, is amended to
387 read:

388 215.86 Management systems and controls.—Each state agency
389 and the judicial branch as defined in s. 216.011 shall establish
390 and maintain management systems and internal controls designed
391 to:

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

392 (1) Prevent and detect fraud, waste, and abuse as defined
393 by s. 11.45(1). ~~that~~

394 (2) Promote and encourage compliance with applicable laws,
395 rules, contracts, and grant agreements. ~~;~~

396 (3) Support economical and economic, ~~efficient,~~ ~~and~~
397 ~~effective~~ operations. ~~;~~

398 (4) Ensure reliability of financial records and reports. ~~;~~

399 (5) Safeguard and safeguarding of assets. Accounting
400 ~~systems and procedures shall be designed to fulfill the~~
401 ~~requirements of generally accepted accounting principles.~~

402 Section 10. Paragraph (a) of subsection (2) of section
403 215.97, Florida Statutes, is amended to read:

404 215.97 Florida Single Audit Act.—

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

406 (a) "Audit threshold" means the threshold amount used to
407 determine when a state single audit or project-specific audit of
408 a nonstate entity shall be conducted in accordance with this
409 section. Each nonstate entity that expends a total amount of
410 state financial assistance equal to or in excess of \$750,000 in
411 any fiscal year of such nonstate entity shall be required to
412 have a state single audit, ~~or a project-specific audit,~~ for such
413 fiscal year in accordance with the requirements of this section.
414 ~~Every 2 years the Auditor General,~~ After consulting with the
415 Executive Office of the Governor, the Department of Financial
416 Services, and all state awarding agencies, the Auditor General

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

417 shall periodically review the threshold amount for requiring
418 audits under this section and may recommend any appropriate
419 statutory change to revise the threshold amount in the annual
420 report submitted pursuant to s. 11.45(7)(h) to the Legislature
421 ~~adjust such threshold amount consistent with the purposes of~~
422 ~~this section.~~

423 Section 11. Subsection (11) of section 215.985, Florida
424 Statutes, is amended to read:

425 215.985 Transparency in government spending.—

426 (11) Each water management district shall provide a
427 monthly financial statement in the form and manner prescribed by
428 the Department of Financial Services to the district's ~~its~~
429 governing board and make such monthly financial statement
430 available for public access on its website.

431 Section 12. Paragraph (d) of subsection (1) and subsection
432 (2) of section 218.32, Florida Statutes, are amended to read:

433 218.32 Annual financial reports; local governmental
434 entities.—

435 (1)

436 (d) Each local governmental entity that is required to
437 provide for an audit under s. 218.39(1) must submit a copy of
438 the audit report and annual financial report to the department
439 within 45 days after the completion of the audit report but no
440 later than 9 months after the end of the fiscal year. In
441 conducting an audit of a local governmental entity pursuant to

Amendment No. 1

442 s. 218.39, an independent certified public accountant shall
443 determine whether the entity's annual financial report is in
444 agreement with the audited financial statements. If the audited
445 financial statements are not in agreement with the annual
446 financial report, the accountant shall specify and explain the
447 significant differences that exist between the audited financial
448 statements and the annual financial report.

449 (2) The department shall annually by December 1 file a
450 verified report with the Governor, the Legislature, the Auditor
451 General, and the Special District Accountability Program of the
452 Department of Economic Opportunity showing the revenues, both
453 locally derived and derived from intergovernmental transfers,
454 and the expenditures of each local governmental entity, regional
455 planning council, local government finance commission, and
456 municipal power corporation that is required to submit an annual
457 financial report. In preparing the verified report, the
458 department may request additional information from the local
459 governmental entity. The information requested must be provided
460 to the department within 45 days after the request. If the local
461 governmental entity does not comply with the request, the
462 department shall notify the Legislative Auditing Committee,
463 which may take action pursuant to s. 11.40(2). The report must
464 include, but is not limited to:

465 (a) The total revenues and expenditures of each local
466 governmental entity that is a component unit included in the

Amendment No. 1

467 annual financial report of the reporting entity.

468 (b) The amount of outstanding long-term debt by each local
469 governmental entity. For purposes of this paragraph, the term
470 "long-term debt" means any agreement or series of agreements to
471 pay money, which, at inception, contemplate terms of payment
472 exceeding 1 year in duration.

473 Section 13. Subsection (3) of section 218.33, Florida
474 Statutes, is renumbered as subsection (4), and a new subsection
475 (3) is added to that section to read:

476 218.33 Local governmental entities; establishment of
477 uniform fiscal years and accounting practices and procedures.—

478 (3) Each local governmental entity shall establish and
479 maintain internal controls designed to:

480 (a) Prevent and detect fraud, waste, and abuse as defined
481 by s. 11.45(1).

482 (b) Promote and encourage compliance with applicable laws,
483 rules, contracts, grant agreements, and best practices.

484 (c) Support economical and efficient operations.

485 (d) Ensure reliability of financial records and reports.

486 (e) Safeguard assets.

487 Section 14. Subsections (8) through (12) of section
488 218.39, Florida Statutes, are renumbered as subsections (9)
489 through (13), respectively, and a new subsection (8) is added to
490 that section to read:

491 218.39 Annual financial audit reports.—

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

492 (8) If the audit report includes a recommendation that was
493 included in the preceding financial audit report but remains
494 unaddressed, the governing body of the audited entity, within 60
495 days after the delivery of the audit report to the governing
496 body, shall indicate during a regularly scheduled public meeting
497 whether it intends to take corrective action, the intended
498 corrective action, and the timeframe for the corrective action.
499 If the governing body indicates that it does not intend to take
500 corrective action, it must explain its decision at the public
501 meeting.

502 Section 15. Subsection (2) of section 218.391, Florida
503 Statutes, is amended to read:

504 218.391 Auditor selection procedures.—

505 (2) The governing body of a ~~charter~~ county, municipality,
506 special district, district school board, charter school, or
507 charter technical career center shall establish an audit
508 committee.

509 (a) The audit committee for a county ~~Each noncharter~~
510 ~~county shall establish an audit committee that,~~ at a minimum,
511 shall consist of each of the county officers elected pursuant to
512 the county charter or s. 1(d), Art. VIII of the State
513 Constitution, or their respective designees ~~a designee,~~ and one
514 member of the board of county commissioners or its designee.

515 (b) The audit committee for a municipality, special
516 district, district school board, charter school, or charter

Amendment No. 1

517 technical career center shall consist of at least three members.
518 One member of the audit committee must be a member of the
519 governing body of an entity specified in this paragraph, who
520 shall also serve as the chair of the committee.

521 (c) An employee, chief executive officer, or chief
522 financial officer of the county, municipality, special district,
523 district school board, charter school, or charter technical
524 career center may not serve as a member of an audit committee
525 established under this subsection.

526 (d) The primary purpose of the audit committee is to
527 assist the governing body in selecting an auditor to conduct the
528 annual financial audit required in s. 218.39; however, the audit
529 committee may serve other audit oversight purposes as determined
530 by the entity's governing body. The public ~~may~~ shall not be
531 excluded from the proceedings under this section.

532 Section 16. Subsection (2) of section 286.0114, Florida
533 Statutes, is amended to read:

534 286.0114 Public meetings; reasonable opportunity to be
535 heard; attorney fees.-

536 (2) Members of the public shall be given a reasonable
537 opportunity to be heard on a proposition before a board or
538 commission. The opportunity to be heard need not occur at the
539 same meeting at which the board or commission takes official
540 action on the proposition if the opportunity occurs at a meeting
541 that is during the decisionmaking process and is within

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

542 reasonable proximity in time before the meeting at which the
543 board or commission takes the official action. A board or
544 commission may not require a member of the public to provide an
545 advance written copy of his or her testimony or comments as a
546 condition of being given the opportunity to be heard at a
547 meeting. This section does not prohibit a board or commission
548 from maintaining orderly conduct or proper decorum in a public
549 meeting. The opportunity to be heard is subject to rules or
550 policies adopted by the board or commission, as provided in
551 subsection (4).

552 Section 17. Paragraph (e) of subsection (4), paragraph (d)
553 of subsection (5), and paragraph (d) of subsection (6) of
554 section 373.536, Florida Statutes, are amended to read:

555 373.536 District budget and hearing thereon.—

556 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

557 (e) ~~By September 1, 2012,~~ Each district shall provide a
558 monthly financial statement in the form and manner prescribed by
559 the Department of Financial Services to the district's governing
560 board and make such monthly financial statement available for
561 public access on its website.

562 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
563 APPROVAL.—

564 (d) Each district shall, by August 1 of each year, submit
565 for review a tentative budget and a description of any
566 significant changes from the preliminary budget submitted to the

Amendment No. 1

567 Legislature pursuant to s. 373.535 to the Governor, the
568 President of the Senate, the Speaker of the House of
569 Representatives, the chairs of all legislative committees and
570 subcommittees having substantive or fiscal jurisdiction over
571 water management districts, as determined by the President of
572 the Senate or the Speaker of the House of Representatives, as
573 applicable, the secretary of the department, and the governing
574 body of each county in which the district has jurisdiction or
575 derives any funds for the operations of the district. The
576 tentative budget must be posted on the district's official
577 website at least 2 days before budget hearings held pursuant to
578 s. 200.065 or other law and must remain on the website for at
579 least 45 days.

580 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
581 WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

582 (d) The final adopted budget must be posted on the water
583 management district's official website within 30 days after
584 adoption and must remain on the website for at least 2 years.

585 Section 18. Paragraph (1) of subsection (12) of section
586 1001.42, Florida Statutes, is amended to read:

587 1001.42 Powers and duties of district school board.—The
588 district school board, acting as a board, shall exercise all
589 powers and perform all duties listed below:

Amendment No. 1

590 (12) FINANCE.—Take steps to assure students adequate
591 educational facilities through the financial procedure
592 authorized in chapters 1010 and 1011 and as prescribed below:

593 (1) *Internal auditor.*—May employ an internal auditor to
594 perform ongoing financial verification of the financial records
595 of the school district and such other audits and reviews as the
596 district school board directs for the purpose of determining:

597 1. The adequacy of internal controls designed to prevent
598 and detect fraud, waste, and abuse as defined by s. 11.45(1).

599 2. Compliance with applicable laws, rules, contracts,
600 grant agreements, district school board-approved policies, and
601 best practices.

602 3. The efficiency of operations.

603 4. The reliability of financial records and reports.

604 5. The safeguarding of assets.

605

606 The internal auditor shall report directly to the district
607 school board or its designee.

608 Section 19. Paragraph (j) of subsection (9) of section
609 1002.33, Florida Statutes, is amended to read:

610 1002.33 Charter schools.—

611 (9) CHARTER SCHOOL REQUIREMENTS.—

612 (j) The governing body of the charter school shall be
613 responsible for:

614 1. Establishing and maintaining internal controls designed

Amendment No. 1

615 to:616 a. Prevent and detect fraud, waste, and abuse as defined
617 by s. 11.45(1).618 b. Promote and encourage compliance with applicable laws,
619 rules, contracts, grant agreements, and best practices.620 c. Support economical and efficient operations.621 d. Ensure reliability of financial records and reports.622 e. Safeguard assets.623 ~~2.1.~~ Ensuring that the charter school has retained the
624 services of a certified public accountant or auditor for the
625 annual financial audit, pursuant to s. 1002.345(2), who shall
626 submit the report to the governing body.627 ~~3.2.~~ Reviewing and approving the audit report, including
628 audit findings and recommendations for the financial recovery
629 plan.630 ~~4.a.3.a.~~ Performing the duties in s. 1002.345, including
631 monitoring a corrective action plan.632 b. Monitoring a financial recovery plan in order to ensure
633 compliance.634 ~~5.4.~~ Participating in governance training approved by the
635 department which must include government in the sunshine,
636 conflicts of interest, ethics, and financial responsibility.637 Section 20. Subsections (6) through (10) of section
638 1002.37, Florida Statutes, are renumbered as subsections (7)
639 through (11), respectively, a new subsection (6) is added to

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

640 that section, and present subsections (6) and (11) of that
641 section are amended, to read:

642 1002.37 The Florida Virtual School.—

643 (6) The Florida Virtual School shall have an annual
644 financial audit of its accounts and records conducted by an
645 independent auditor who is a certified public accountant
646 licensed under chapter 473. The independent auditor shall
647 conduct the audit in accordance with rules adopted by the
648 Auditor General pursuant to s. 11.45 and, upon completion of the
649 audit, shall prepare an audit report in accordance with such
650 rules. The audit report must include a written statement by the
651 board of trustees describing corrective action to be taken in
652 response to each of the recommendations of the independent
653 auditor included in the audit report. The independent auditor
654 shall submit the audit report to the board of trustees and the
655 Auditor General no later than 9 months after the end of the
656 preceding fiscal year.

657 (7)(6) The board of trustees shall annually submit to the
658 Governor, the Legislature, the Commissioner of Education, and
659 the State Board of Education the audit report prepared pursuant
660 to subsection (6) and a complete and detailed report setting
661 forth:

662 (a) The operations and accomplishments of the Florida
663 Virtual School within the state and those occurring outside the
664 state as Florida Virtual School Global.

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

665 (b) The marketing and operational plan for the Florida
666 Virtual School and Florida Virtual School Global, including
667 recommendations regarding methods for improving the delivery of
668 education through the Internet and other distance learning
669 technology.

670 (c) The assets and liabilities of the Florida Virtual
671 School and Florida Virtual School Global at the end of the
672 fiscal year.

673 ~~(d) A copy of an annual financial audit of the accounts~~
674 ~~and records of the Florida Virtual School and Florida Virtual~~
675 ~~School Global, conducted by an independent certified public~~
676 ~~accountant and performed in accordance with rules adopted by the~~
677 ~~Auditor General.~~

678 (d)~~(e)~~ Recommendations regarding the unit cost of
679 providing services to students through the Florida Virtual
680 School and Florida Virtual School Global. In order to most
681 effectively develop public policy regarding any future funding
682 of the Florida Virtual School, it is imperative that the cost of
683 the program is accurately identified. The identified cost of the
684 program must be based on reliable data.

685 (e)~~(f)~~ Recommendations regarding an accountability
686 mechanism to assess the effectiveness of the services provided
687 by the Florida Virtual School and Florida Virtual School Global.

688 ~~(11) The Auditor General shall conduct an operational~~
689 ~~audit of the Florida Virtual School, including Florida Virtual~~

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

690 ~~School Global. The scope of the audit shall include, but not be~~
691 ~~limited to, the administration of responsibilities relating to~~
692 ~~personnel; procurement and contracting; revenue production;~~
693 ~~school funds, including internal funds; student enrollment~~
694 ~~records; franchise agreements; information technology~~
695 ~~utilization, assets, and security; performance measures and~~
696 ~~standards; and accountability. The final report on the audit~~
697 ~~shall be submitted to the President of the Senate and the~~
698 ~~Speaker of the House of Representatives no later than January~~
699 ~~31, 2014.~~

700 Section 21. Subsection (5) is added to section 1010.01,
701 Florida Statutes, to read:

702 1010.01 Uniform records and accounts.-

703 (5) Each school district, Florida College System
704 institution, and state university shall establish and maintain
705 internal controls designed to:

706 (a) Prevent and detect fraud, waste, and abuse as defined
707 by s. 11.45(1).

708 (b) Promote and encourage compliance with applicable laws,
709 rules, contracts, grant agreements, and best practices.

710 (c) Support economical and efficient operations.

711 (d) Ensure reliability of financial records and reports.

712 (e) Safeguard assets.

713 Section 22. Subsection (2) of section 1010.30, Florida
714 Statutes, is amended to read:

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

715 1010.30 Audits required.—
716 (2) If a school district, Florida College System
717 institution, or university audit report includes a
718 recommendation that was included in the preceding financial
719 audit report but remains unaddressed ~~an audit contains a~~
720 ~~significant finding~~, the district school board, the Florida
721 College System institution board of trustees, or the university
722 board of trustees, within 60 days after the delivery of the
723 audit report to the school district, Florida College System
724 institution, or university, shall indicate ~~conduct an audit~~
725 ~~overview~~ during a regularly scheduled public meeting whether it
726 intends to take corrective action, the intended corrective
727 action, and the timeframe for the corrective action. If the
728 district school board, Florida College System institution board
729 of trustees, or university board of trustees indicates that it
730 does not intend to take corrective action, it shall explain its
731 decision at the public meeting.

732 Section 23. Subsection (3) of section 218.503, Florida
733 Statutes, is amended to read:

734 218.503 Determination of financial emergency.—

735 (3) Upon notification that one or more of the conditions
736 in subsection (1) have occurred or will occur if action is not
737 taken to assist the local governmental entity or district school
738 board, the Governor or his or her designee shall contact the
739 local governmental entity or the Commissioner of Education or

Amendment No. 1

740 his or her designee shall contact the district school board, as
741 appropriate, to determine what actions have been taken by the
742 local governmental entity or the district school board to
743 resolve or prevent the condition. The information requested must
744 be provided within 45 days after the date of the request. If the
745 local governmental entity or the district school board does not
746 comply with the request, the Governor or his or her designee or
747 the Commissioner of Education or his or her designee shall
748 notify ~~the members of~~ the Legislative Auditing Committee, which
749 ~~who~~ may take action pursuant to s. 11.40(2) ~~11.40~~. The Governor
750 or the Commissioner of Education, as appropriate, shall
751 determine whether the local governmental entity or the district
752 school board needs state assistance to resolve or prevent the
753 condition. If state assistance is needed, the local governmental
754 entity or district school board is considered to be in a state
755 of financial emergency. The Governor or the Commissioner of
756 Education, as appropriate, has the authority to implement
757 measures as set forth in ss. 218.50-218.504 to assist the local
758 governmental entity or district school board in resolving the
759 financial emergency. Such measures may include, but are not
760 limited to:

761 (a) Requiring approval of the local governmental entity's
762 budget by the Governor or approval of the district school
763 board's budget by the Commissioner of Education.

764 (b) Authorizing a state loan to a local governmental

Amendment No. 1

765 entity and providing for repayment of same.

766 (c) Prohibiting a local governmental entity or district
767 school board from issuing bonds, notes, certificates of
768 indebtedness, or any other form of debt until such time as it is
769 no longer subject to this section.

770 (d) Making such inspections and reviews of records,
771 information, reports, and assets of the local governmental
772 entity or district school board as are needed. The appropriate
773 local officials shall cooperate in such inspections and reviews.

774 (e) Consulting with officials and auditors of the local
775 governmental entity or the district school board and the
776 appropriate state officials regarding any steps necessary to
777 bring the books of account, accounting systems, financial
778 procedures, and reports into compliance with state requirements.

779 (f) Providing technical assistance to the local
780 governmental entity or the district school board.

781 (g)1. Establishing a financial emergency board to oversee
782 the activities of the local governmental entity or the district
783 school board. If a financial emergency board is established for
784 a local governmental entity, the Governor shall appoint board
785 members and select a chair. If a financial emergency board is
786 established for a district school board, the State Board of
787 Education shall appoint board members and select a chair. The
788 financial emergency board shall adopt such rules as are
789 necessary for conducting board business. The board may:

Amendment No. 1

790 a. Make such reviews of records, reports, and assets of
791 the local governmental entity or the district school board as
792 are needed.

793 b. Consult with officials and auditors of the local
794 governmental entity or the district school board and the
795 appropriate state officials regarding any steps necessary to
796 bring the books of account, accounting systems, financial
797 procedures, and reports of the local governmental entity or the
798 district school board into compliance with state requirements.

799 c. Review the operations, management, efficiency,
800 productivity, and financing of functions and operations of the
801 local governmental entity or the district school board.

802 d. Consult with other governmental entities for the
803 consolidation of all administrative direction and support
804 services, including, but not limited to, services for asset
805 sales, economic and community development, building inspections,
806 parks and recreation, facilities management, engineering and
807 construction, insurance coverage, risk management, planning and
808 zoning, information systems, fleet management, and purchasing.

809 2. The recommendations and reports made by the financial
810 emergency board must be submitted to the Governor for local
811 governmental entities or to the Commissioner of Education and
812 the State Board of Education for district school boards for
813 appropriate action.

814 (h) Requiring and approving a plan, to be prepared by

Amendment No. 1

815 officials of the local governmental entity or the district
816 school board in consultation with the appropriate state
817 officials, prescribing actions that will cause the local
818 governmental entity or district school board to no longer be
819 subject to this section. The plan must include, but need not be
820 limited to:

821 1. Provision for payment in full of obligations outlined
822 in subsection (1), designated as priority items, which are
823 currently due or will come due.

824 2. Establishment of priority budgeting or zero-based
825 budgeting in order to eliminate items that are not affordable.

826 3. The prohibition of a level of operations which can be
827 sustained only with nonrecurring revenues.

828 4. Provisions implementing the consolidation, sourcing, or
829 discontinuance of all administrative direction and support
830 services, including, but not limited to, services for asset
831 sales, economic and community development, building inspections,
832 parks and recreation, facilities management, engineering and
833 construction, insurance coverage, risk management, planning and
834 zoning, information systems, fleet management, and purchasing.

835 Section 24. Subsection (2) of section 1002.455, Florida
836 Statutes, is amended to read:

837 1002.455 Student eligibility for K-12 virtual
838 instruction.-

839 (2) A student is eligible to participate in virtual

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

840 instruction if:

841 (a) The student spent the prior school year in attendance
842 at a public school in the state and was enrolled and reported by
843 the school district for funding during October and February for
844 purposes of the Florida Education Finance Program surveys;

845 (b) The student is a dependent child of a member of the
846 United States Armed Forces who was transferred within the last
847 12 months to this state from another state or from a foreign
848 country pursuant to a permanent change of station order;

849 (c) The student was enrolled during the prior school year
850 in a virtual instruction program under s. 1002.45 or a full-time
851 Florida Virtual School program under s. 1002.37(9)(a)
852 ~~1002.37(8)(a)~~;

853 (d) The student has a sibling who is currently enrolled in
854 a virtual instruction program and the sibling was enrolled in
855 that program at the end of the prior school year;

856 (e) The student is eligible to enter kindergarten or first
857 grade; or

858 (f) The student is eligible to enter grades 2 through 5
859 and is enrolled full-time in a school district virtual
860 instruction program, virtual charter school, or the Florida
861 Virtual School.

862 Section 25. The Legislature finds that a proper and
863 legitimate state purpose is served when internal controls are
864 established to prevent and detect fraud, waste, and abuse and to

Amendment No. 1

865 safeguard and account for government funds and property.

866 Therefore, the Legislature determines and declares that this act
867 fulfills an important state interest.

868 Section 26. This act shall take effect July 1, 2017.

869 -----
870 -----

871 **T I T L E A M E N D M E N T**

872 Remove everything before the enacting clause and insert:
873 An act relating to government accountability; amending s.
874 11.40, F.S.; specifying that the Governor, the Commissioner
875 of Education, or the designee of the Governor or of the
876 commissioner, may notify the Legislative Auditing Committee
877 of an entity's failure to comply with certain auditing and
878 financial reporting requirements; amending s. 11.45, F.S.;
879 defining the terms "abuse," "fraud," and "waste"; revising
880 the definition of the term "local governmental entity";
881 excluding water management districts from certain audit
882 requirements; removing a cross-reference; authorizing the
883 Auditor General to conduct audits of tourist development
884 councils and county tourism promotion agencies; revising
885 reporting requirements applicable to the Auditor General;
886 amending s. 28.35, F.S.; revising reporting requirements
887 applicable to the Florida Clerks of Court Operations
888 Corporation; amending s. 43.16, F.S.; revising the
889 responsibilities of the Justice Administrative Commission,

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

890 each state attorney, each public defender, the criminal
891 conflict and civil regional counsel, the capital collateral
892 regional counsel, and the Guardian Ad Litem Program, to
893 include the establishment and maintenance of certain
894 internal controls; amending s. 112.061, F.S.; revising
895 certain lodging rates for the purpose of reimbursement to
896 specified employees; authorizing an employee to expend his
897 or her funds for certain lodging expenses; amending ss.
898 129.03, 129.06, and 166.241, F.S.; requiring counties and
899 municipalities to maintain certain budget documents on the
900 entities' websites for a specified period; amending s.
901 215.86, F.S.; revising the purposes for which management
902 systems and internal controls must be established and
903 maintained by each state agency and the judicial branch;
904 amending s. 215.97, F.S.; revising certain audit threshold
905 requirements; amending s. 215.985, F.S.; revising the
906 requirements for a monthly financial statement provided by
907 a water management district; amending s. 218.32, F.S.;
908 revising the requirements of the annual financial audit
909 report of a local governmental entity; authorizing the
910 Department of Financial Services to request additional
911 information from a local governmental entity; requiring a
912 local governmental entity to respond to such requests
913 within a specified timeframe; requiring the department to
914 notify the Legislative Auditing Committee of noncompliance;

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

915 amending s. 218.33, F.S.; requiring local governmental
916 entities to establish and maintain internal controls to
917 achieve specified purposes; amending s. 218.39, F.S.;
918 requiring an audited entity to respond to audit
919 recommendations under specified circumstances; amending s.
920 218.391, F.S.; revising the composition of an audit
921 committee; prohibiting an audit committee member from being
922 an employee, a chief executive officer, or a chief
923 financial officer of the respective governmental entity;
924 amending s. 286.0114, F.S.; prohibiting a board or
925 commission from requiring an advance copy of testimony or
926 comments from a member of the public as a precondition to
927 being given the opportunity to be heard at a public
928 meeting; amending s. 373.536, F.S.; deleting obsolete
929 language; requiring water management districts to maintain
930 certain budget documents on the districts' websites for a
931 specified period; amending s. 1001.42, F.S.; authorizing
932 additional internal audits as directed by the district
933 school board; amending s. 1002.33, F.S.; revising the
934 responsibilities of the governing board of a charter school
935 to include the establishment and maintenance of internal
936 controls; removing obsolete provisions; amending s.
937 1002.37, F.S.; requiring completion of an annual financial
938 audit of the Florida Virtual School; specifying audit
939 requirements; requiring an audit report to be submitted to

939693 - HB 479 strike all amendment.docx

Published On: 2/22/2017 5:20:14 PM

Amendment No. 1

940 the board of trustees of the Florida Virtual School and the
941 Auditor General; removing obsolete provisions; amending s.
942 1010.01, F.S.; requiring each school district, Florida
943 College System institution, and state university to
944 establish and maintain certain internal controls; amending
945 s. 1010.30, F.S.; requiring a district school board,
946 Florida College System institution board of trustees, or
947 university board of trustees to respond to audit
948 recommendations under certain circumstances; amending ss.
949 218.503 and 1002.455, F.S.; conforming provisions and
950 cross-references to changes made by the act; declaring that
951 the act fulfills an important state interest; providing an
952 effective date.