

1 A bill to be entitled
2 An act relating to government accountability; amending
3 s. 11.40, F.S.; specifying that the Governor, the
4 Commissioner of Education, or the designee of the
5 Governor or of the commissioner, may notify the
6 Legislative Auditing Committee of an entity's failure
7 to comply with certain auditing and financial
8 reporting requirements; amending s. 11.45, F.S.;
9 defining the terms "abuse," "fraud," and "waste";
10 revising the definition of the term "local
11 governmental entity"; removing a cross-reference;
12 authorizing the Auditor General to conduct audits of
13 tourist development councils and county tourism
14 promotion agencies; revising reporting requirements
15 applicable to the Auditor General; amending s. 43.16,
16 F.S.; revising the responsibilities of the Justice
17 Administrative Commission, each state attorney, each
18 public defender, the criminal conflict and civil
19 regional counsel, the capital collateral regional
20 counsel, and the Guardian Ad Litem Program, to include
21 the establishment and maintenance of certain internal
22 controls; amending ss. 129.03, 129.06, and 166.241,
23 F.S.; requiring counties and municipalities to
24 maintain certain budget documents on the entities'
25 websites for a specified period; amending s. 215.86,

26 F.S.; revising the purposes for which management
27 systems and internal controls must be established and
28 maintained by each state agency and the judicial
29 branch; amending s. 215.97, F.S.; revising certain
30 audit threshold requirements; amending s. 215.985,
31 F.S.; revising the requirements for a monthly
32 financial statement provided by a water management
33 district; amending s. 218.32, F.S.; revising the
34 requirements of the annual financial audit report of a
35 local governmental entity; authorizing the Department
36 of Financial Services to request additional
37 information from a local governmental entity;
38 requiring a local governmental entity to respond to
39 such requests within a specified timeframe; requiring
40 the department to notify the Legislative Auditing
41 Committee of noncompliance; amending s. 218.33, F.S.;
42 requiring local governmental entities to establish and
43 maintain internal controls to achieve specified
44 purposes; amending s. 218.39, F.S.; requiring an
45 audited entity to respond to audit recommendations
46 under specified circumstances; amending s. 286.0114,
47 F.S.; prohibiting a board or commission from requiring
48 an advance copy of testimony or comments from a member
49 of the public as a precondition to being given the
50 opportunity to be heard at a public meeting; amending

51 s. 373.536, F.S.; deleting obsolete language;
52 requiring water management districts to maintain
53 certain budget documents on the districts' websites
54 for a specified period; amending s. 1001.42, F.S.;
55 authorizing additional internal audits as directed by
56 the district school board; amending s. 1002.33, F.S.;
57 revising the responsibilities of the governing board
58 of a charter school to include the establishment and
59 maintenance of internal controls; removing obsolete
60 provisions; amending s. 1010.01, F.S.; requiring each
61 school district, Florida College System institution,
62 and state university to establish and maintain certain
63 internal controls; amending s. 1010.30, F.S.;
64 requiring a district school board, Florida College
65 System institution board of trustees, or university
66 board of trustees to respond to audit recommendations
67 under certain circumstances; declaring that the act
68 fulfills an important state interest; providing an
69 effective date.

70
71 Be It Enacted by the Legislature of the State of Florida:

72
73 Section 1. Subsection (2) of section 11.40, Florida
74 Statutes, is amended to read:

75 11.40 Legislative Auditing Committee.—

76 (2) Following notification by the Auditor General, the
 77 Department of Financial Services, ~~or~~ the Division of Bond
 78 Finance of the State Board of Administration, the Governor or
 79 his or her designee, or the Commissioner of Education or his or
 80 her designee of the failure of a local governmental entity,
 81 district school board, charter school, or charter technical
 82 career center to comply with the applicable provisions within s.
 83 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
 84 Legislative Auditing Committee may schedule a hearing to
 85 determine if the entity should be subject to further state
 86 action. If the committee determines that the entity should be
 87 subject to further state action, the committee shall:

88 (a) In the case of a local governmental entity or district
 89 school board, direct the Department of Revenue and the
 90 Department of Financial Services to withhold any funds not
 91 pledged for bond debt service satisfaction which are payable to
 92 such entity until the entity complies with the law. The
 93 committee shall specify the date that such action must ~~shall~~
 94 begin, and the directive must be received by the Department of
 95 Revenue and the Department of Financial Services 30 days before
 96 the date of the distribution mandated by law. The Department of
 97 Revenue and the Department of Financial Services may implement
 98 ~~the provisions of~~ this paragraph.

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

100 1. A special act, notify the President of the Senate, the

101 Speaker of the House of Representatives, the standing committees
102 of the Senate and the House of Representatives charged with
103 special district oversight as determined by the presiding
104 officers of each respective chamber, the legislators who
105 represent a portion of the geographical jurisdiction of the
106 special district, and the Department of Economic Opportunity
107 that the special district has failed to comply with the law.
108 Upon receipt of notification, the Department of Economic
109 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.
110 If the special district remains in noncompliance after the
111 process set forth in s. 189.0651, or if a public hearing is not
112 held, the Legislative Auditing Committee may request the
113 department to proceed pursuant to s. 189.067(3).

114 2. A local ordinance, notify the chair or equivalent of
115 the local general-purpose government pursuant to s. 189.0652 and
116 the Department of Economic Opportunity that the special district
117 has failed to comply with the law. Upon receipt of notification,
118 the department shall proceed pursuant to s. 189.062 or s.
119 189.067. If the special district remains in noncompliance after
120 the process set forth in s. 189.0652, or if a public hearing is
121 not held, the Legislative Auditing Committee may request the
122 department to proceed pursuant to s. 189.067(3).

123 3. Any manner other than a special act or local ordinance,
124 notify the Department of Economic Opportunity that the special
125 district has failed to comply with the law. Upon receipt of

126 notification, the department shall proceed pursuant to s.
127 189.062 or s. 189.067(3).

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

131 Section 2. Subsection (1), paragraph (u) of subsection
132 (3), and paragraph (i) of subsection (7) of section 11.45,
133 Florida Statutes, are amended, and paragraph (x) is added to
134 subsection (3) of that section to read:

135 11.45 Definitions; duties; authorities; reports; rules.—

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

137 (a) "Abuse" means behavior that is deficient or improper
138 when compared with behavior that a prudent person would consider
139 a reasonable and necessary operational practice given the facts
140 and circumstances. The term includes the misuse of authority or
141 position for personal gain.

142 (b)~~(a)~~ "Audit" means a financial audit, operational audit,
143 or performance audit.

144 (c)~~(b)~~ "County agency" means a board of county
145 commissioners or other legislative and governing body of a
146 county, however styled, including that of a consolidated or
147 metropolitan government, a clerk of the circuit court, a
148 separate or ex officio clerk of the county court, a sheriff, a
149 property appraiser, a tax collector, a supervisor of elections,
150 or any other officer in whom any portion of the fiscal duties of

151 a body or officer expressly stated in this paragraph are the
152 ~~above are under law~~ separately placed by law.

153 (d)-(e) "Financial audit" means an examination of financial
154 statements in order to express an opinion on the fairness with
155 which they are presented in conformity with generally accepted
156 accounting principles and an examination to determine whether
157 operations are properly conducted in accordance with legal and
158 regulatory requirements. Financial audits must be conducted in
159 accordance with auditing standards generally accepted in the
160 United States and government auditing standards as adopted by
161 the Board of Accountancy. When applicable, the scope of
162 financial audits must ~~shall~~ encompass the additional activities
163 necessary to establish compliance with the Single Audit Act
164 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other
165 applicable federal law.

166 (e) "Fraud" means obtaining something of value through
167 willful misrepresentation, including, but not limited to, the
168 intentional misstatements or omissions of amounts or disclosures
169 in financial statements to deceive users of financial
170 statements, theft of an entity's assets, bribery, or the use of
171 one's position for personal enrichment through the deliberate
172 misuse or misapplication of an organization's resources.

173 (f)-(d) "Governmental entity" means a state agency, a
174 county agency, or any other entity, however styled, that
175 independently exercises any type of state or local governmental

176 function.

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

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

184 (i)~~(g)~~ "Operational audit" means an audit whose purpose is
185 to evaluate management's performance in establishing and
186 maintaining internal controls, including controls designed to
187 prevent and detect fraud, waste, and abuse, and in administering
188 assigned responsibilities in accordance with applicable laws,
189 administrative rules, contracts, grant agreements, and other
190 guidelines. Operational audits must be conducted in accordance
191 with government auditing standards. Such audits examine internal
192 controls that are designed and placed in operation to promote
193 and encourage the achievement of management's control objectives
194 in the categories of compliance, economic and efficient
195 operations, reliability of financial records and reports, and
196 safeguarding of assets, and identify weaknesses in those
197 internal controls.

198 (j)~~(h)~~ "Performance audit" means an examination of a
199 program, activity, or function of a governmental entity,
200 conducted in accordance with applicable government auditing

201 standards or auditing and evaluation standards of other
 202 appropriate authoritative bodies. The term includes an
 203 examination of issues related to:

204 1. Economy, efficiency, or effectiveness of the program.

205 2. Structure or design of the program to accomplish its
 206 goals and objectives.

207 3. Adequacy of the program to meet the needs identified by
 208 the Legislature or governing body.

209 4. Alternative methods of providing program services or
 210 products.

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

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

215 7. Compliance of the program with appropriate policies,
 216 rules, or laws.

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

219 (k)~~(i)~~ "Political subdivision" means a separate agency or
 220 unit of local government created or established by law and
 221 includes, but is not limited to, the following and the officers
 222 thereof: authority, board, branch, bureau, city, commission,
 223 consolidated government, county, department, district,
 224 institution, metropolitan government, municipality, office,
 225 officer, public corporation, town, or village.

226 (1)~~(j)~~ "State agency" means a separate agency or unit of
 227 state government created or established by law and includes, but
 228 is not limited to, the following and the officers thereof:
 229 authority, board, branch, bureau, commission, department,
 230 division, institution, office, officer, or public corporation,
 231 as the case may be, except any such agency or unit within the
 232 legislative branch of state government other than the Florida
 233 Public Service Commission.

234 (m) "Waste" means the act of using or expending resources
 235 unreasonably, carelessly, extravagantly, or for no useful
 236 purpose.

237 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The
 238 Auditor General may, pursuant to his or her own authority, or at
 239 the direction of the Legislative Auditing Committee, conduct
 240 audits or other engagements as determined appropriate by the
 241 Auditor General of:

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

243 (x) Tourist development councils and county tourism
 244 promotion agencies.

245 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

246 (i) The Auditor General shall annually transmit by July
 247 15, to the President of the Senate, the Speaker of the House of
 248 Representatives, and the Department of Financial Services, a
 249 list of all school districts, charter schools, charter technical
 250 career centers, Florida College System institutions, state

251 | universities, and local governmental entities ~~water management~~
 252 | ~~districts~~ that have failed to comply with the transparency
 253 | requirements as identified in the audit reports reviewed
 254 | pursuant to paragraph (b) and those conducted pursuant to
 255 | subsection (2).

256 | Section 3. Subsections (6) and (7) of section 43.16,
 257 | Florida Statutes, are renumbered as subsections (7) and (8),
 258 | respectively, and a new subsection (6) is added to that section
 259 | to read:

260 | 43.16 Justice Administrative Commission; membership,
 261 | powers and duties.—

262 | (6) The commission, each state attorney, each public
 263 | defender, the criminal conflict and civil regional counsel, the
 264 | capital collateral regional counsel, and the Guardian Ad Litem
 265 | Program shall establish and maintain internal controls designed
 266 | to:

- 267 | (a) Prevent and detect fraud, waste, and abuse.
- 268 | (b) Promote and encourage compliance with applicable laws,
 269 | rules, contracts, grant agreements, and best practices.
- 270 | (c) Support economical and efficient operations.
- 271 | (d) Ensure reliability of financial records and reports.
- 272 | (e) Safeguard assets.

273 | Section 4. Paragraph (c) of subsection (3) of section
 274 | 129.03, Florida Statutes, is amended to read:

275 | 129.03 Preparation and adoption of budget.—

276 (3) The county budget officer, after tentatively
277 ascertaining the proposed fiscal policies of the board for the
278 next fiscal year, shall prepare and present to the board a
279 tentative budget for the next fiscal year for each of the funds
280 provided in this chapter, including all estimated receipts,
281 taxes to be levied, and balances expected to be brought forward
282 and all estimated expenditures, reserves, and balances to be
283 carried over at the end of the year.

284 (c) The board shall hold public hearings to adopt
285 tentative and final budgets pursuant to s. 200.065. The hearings
286 shall be primarily for the purpose of hearing requests and
287 complaints from the public regarding the budgets and the
288 proposed tax levies and for explaining the budget and any
289 proposed or adopted amendments. The tentative budget must be
290 posted on the county's official website at least 2 days before
291 the public hearing to consider such budget and must remain on
292 the website for at least 45 days. The final budget must be
293 posted on the website within 30 days after adoption and must
294 remain on the website for at least 2 years. The tentative
295 budgets, adopted tentative budgets, and final budgets shall be
296 filed in the office of the county auditor as a public record.
297 Sufficient reference in words and figures to identify the
298 particular transactions must ~~shall~~ be made in the minutes of the
299 board to record its actions with reference to the budgets.

300 Section 5. Paragraph (f) of subsection (2) of section

301 129.06, Florida Statutes, is amended to read:

302 129.06 Execution and amendment of budget.—

303 (2) The board at any time within a fiscal year may amend a
 304 budget for that year, and may within the first 60 days of a
 305 fiscal year amend the budget for the prior fiscal year, as
 306 follows:

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

312 1. The public hearing must be advertised at least 2 days,
 313 but not more than 5 days, before the date of the hearing. The
 314 advertisement must appear in a newspaper of paid general
 315 circulation and must identify the name of the taxing authority,
 316 the date, place, and time of the hearing, and the purpose of the
 317 hearing. The advertisement must also identify each budgetary
 318 fund to be amended, the source of the funds, the use of the
 319 funds, and the total amount of each fund's appropriations.

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

324 Section 6. Subsections (3) and (5) of section 166.241,
 325 Florida Statutes, are amended to read:

326 | 166.241 Fiscal years, budgets, and budget amendments.—

327 | (3) The tentative budget must be posted on the
328 | municipality's official website at least 2 days before the
329 | budget hearing, held pursuant to s. 200.065 or other law, to
330 | consider such budget and must remain on the website for at least
331 | 45 days. The final adopted budget must be posted on the
332 | municipality's official website within 30 days after adoption
333 | and must remain on the website for at least 2 years. If the
334 | municipality does not operate an official website, the
335 | municipality must, within a reasonable period of time as
336 | established by the county or counties in which the municipality
337 | is located, transmit the tentative budget and final budget to
338 | the manager or administrator of such county or counties who
339 | shall post the budgets on the county's website.

340 | (5) If the governing body of a municipality amends the
341 | budget pursuant to paragraph (4) (c), the adopted amendment must
342 | be posted on the official website of the municipality within 5
343 | days after adoption and must remain on the website for at least
344 | 2 years. If the municipality does not operate an official
345 | website, the municipality must, within a reasonable period of
346 | time as established by the county or counties in which the
347 | municipality is located, transmit the adopted amendment to the
348 | manager or administrator of such county or counties who shall
349 | post the adopted amendment on the county's website.

350 | Section 7. Section 215.86, Florida Statutes, is amended to

351 read:

352 215.86 Management systems and controls.—Each state agency
 353 and the judicial branch as defined in s. 216.011 shall establish
 354 and maintain management systems and internal controls designed
 355 to:

356 (1) Prevent and detect fraud, waste, and abuse. ~~that~~

357 (2) Promote and encourage compliance with applicable laws,
 358 rules, contracts, and grant agreements.†

359 (3) Support economical and ~~economic,~~ efficient, and
 360 effective operations.†

361 (4) Ensure reliability of financial records and reports.†

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

365 Section 8. Paragraph (a) of subsection (2) of section
 366 215.97, Florida Statutes, is amended to read:

367 215.97 Florida Single Audit Act.—

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

369 (a) "Audit threshold" means the threshold amount used to
 370 determine when a state single audit or project-specific audit of
 371 a nonstate entity shall be conducted in accordance with this
 372 section. Each nonstate entity that expends a total amount of
 373 state financial assistance equal to or in excess of \$750,000 in
 374 any fiscal year of such nonstate entity shall be required to
 375 have a state single audit,† or a project-specific audit,† for such

376 | fiscal year in accordance with the requirements of this section.
 377 | ~~Every 2 years the Auditor General,~~ After consulting with the
 378 | Executive Office of the Governor, the Department of Financial
 379 | Services, and all state awarding agencies, the Auditor General
 380 | shall periodically review the threshold amount for requiring
 381 | audits under this section and may recommend any appropriate
 382 | statutory change to revise the threshold amount in the annual
 383 | report submitted pursuant to s. 11.45(7)(h) to the Legislature
 384 | ~~adjust such threshold amount consistent with the purposes of~~
 385 | ~~this section.~~

386 | Section 9. Subsection (11) of section 215.985, Florida
 387 | Statutes, is amended to read:

388 | 215.985 Transparency in government spending.—

389 | (11) Each water management district shall provide a
 390 | monthly financial statement in the form and manner prescribed by
 391 | the Department of Financial Services to the district's ~~its~~
 392 | governing board and make such monthly financial statement
 393 | available for public access on its website.

394 | Section 10. Paragraph (d) of subsection (1) and subsection
 395 | (2) of section 218.32, Florida Statutes, are amended to read:

396 | 218.32 Annual financial reports; local governmental
 397 | entities.—

398 | (1)

399 | (d) Each local governmental entity that is required to
 400 | provide for an audit under s. 218.39(1) must submit a copy of

401 the audit report and annual financial report to the department
402 within 45 days after the completion of the audit report but no
403 later than 9 months after the end of the fiscal year. In
404 conducting an audit of a local governmental entity pursuant to
405 s. 218.39, an independent certified public accountant shall
406 determine whether the entity's annual financial report is in
407 agreement with the audited financial statements. The
408 accountant's audit report must be supported by the same level of
409 detail as required for the annual financial report. If the
410 accountant's audit report is not in agreement with the annual
411 financial report, the accountant shall specify and explain the
412 significant differences that exist between the annual financial
413 report and the audit report.

414 (2) The department shall annually by December 1 file a
415 verified report with the Governor, the Legislature, the Auditor
416 General, and the Special District Accountability Program of the
417 Department of Economic Opportunity showing the revenues, both
418 locally derived and derived from intergovernmental transfers,
419 and the expenditures of each local governmental entity, regional
420 planning council, local government finance commission, and
421 municipal power corporation that is required to submit an annual
422 financial report. In preparing the verified report, the
423 department may request additional information from the local
424 governmental entity. The information requested must be provided
425 to the department within 45 days after the request. If the local

426 governmental entity does not comply with the request, the
 427 department shall notify the Legislative Auditing Committee,
 428 which may take action pursuant to s. 11.40(2). The report must
 429 include, but is not limited to:

430 (a) The total revenues and expenditures of each local
 431 governmental entity that is a component unit included in the
 432 annual financial report of the reporting entity.

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

438 Section 11. Subsection (3) of section 218.33, Florida
 439 Statutes, is renumbered as subsection (4), and a new subsection
 440 (3) is added to that section to read:

441 218.33 Local governmental entities; establishment of
 442 uniform fiscal years and accounting practices and procedures.—

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

445 (a) Prevent and detect fraud, waste, and abuse.

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

448 (c) Support economical and efficient operations.

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

450 (e) Safeguard assets.

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451 Section 12. Subsections (8) through (12) of section
452 218.39, Florida Statutes, are renumbered as subsections (9)
453 through (13), respectively, and a new subsection (8) is added to
454 that section to read:

455 218.39 Annual financial audit reports.—

456 (8) If the audit report includes a recommendation that was
457 included in the preceding financial audit report but remains
458 unaddressed, the governing body of the audited entity, within 60
459 days after the delivery of the audit report to the governing
460 body, shall indicate during a regularly scheduled public meeting
461 whether it intends to take corrective action, the intended
462 corrective action, and the timeframe for the corrective action.
463 If the governing body indicates that it does not intend to take
464 corrective action, it must explain its decision at the public
465 meeting.

466 Section 13. Subsection (2) of section 286.0114, Florida
467 Statutes, is amended to read:

468 286.0114 Public meetings; reasonable opportunity to be
469 heard; attorney fees.—

470 (2) Members of the public shall be given a reasonable
471 opportunity to be heard on a proposition before a board or
472 commission. The opportunity to be heard need not occur at the
473 same meeting at which the board or commission takes official
474 action on the proposition if the opportunity occurs at a meeting
475 that is during the decisionmaking process and is within

476 reasonable proximity in time before the meeting at which the
477 board or commission takes the official action. A board or
478 commission may not require a member of the public to provide an
479 advance written copy of his or her testimony or comments as a
480 condition of being given the opportunity to be heard at a
481 meeting. This section does not prohibit a board or commission
482 from maintaining orderly conduct or proper decorum in a public
483 meeting. The opportunity to be heard is subject to rules or
484 policies adopted by the board or commission, as provided in
485 subsection (4).

486 Section 14. Paragraph (e) of subsection (4), paragraph (d)
487 of subsection (5), and paragraph (d) of subsection (6) of
488 section 373.536, Florida Statutes, are amended to read:

489 373.536 District budget and hearing thereon.—

490 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

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

496 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
497 APPROVAL.—

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

501 Legislature pursuant to s. 373.535 to the Governor, the
502 President of the Senate, the Speaker of the House of
503 Representatives, the chairs of all legislative committees and
504 subcommittees having substantive or fiscal jurisdiction over
505 water management districts, as determined by the President of
506 the Senate or the Speaker of the House of Representatives, as
507 applicable, the secretary of the department, and the governing
508 body of each county in which the district has jurisdiction or
509 derives any funds for the operations of the district. The
510 tentative budget must be posted on the district's official
511 website at least 2 days before budget hearings held pursuant to
512 s. 200.065 or other law and must remain on the website for at
513 least 45 days.

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

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

519 Section 15. Paragraph (1) of subsection (12) of section
520 1001.42, Florida Statutes, is amended to read:

521 1001.42 Powers and duties of district school board.—The
522 district school board, acting as a board, shall exercise all
523 powers and perform all duties listed below:

524 (12) FINANCE.—Take steps to assure students adequate
525 educational facilities through the financial procedure

526 | authorized in chapters 1010 and 1011 and as prescribed below:

527 | (1) *Internal auditor.*—May employ an internal auditor to
 528 | perform ongoing financial verification of the financial records
 529 | of the school district and such other audits and reviews as the
 530 | district school board directs for the purpose of determining:

531 | 1. The adequacy of internal controls designed to prevent
 532 | and detect fraud, waste, and abuse.

533 | 2. Compliance with applicable laws, rules, contracts,
 534 | grant agreements, district school board-approved policies, and
 535 | best practices.

536 | 3. The efficiency of operations.

537 | 4. The reliability of financial records and reports.

538 | 5. The safeguarding of assets.

539 |

540 | The internal auditor shall report directly to the district
 541 | school board or its designee.

542 | Section 16. Paragraph (j) of subsection (9) of section
 543 | 1002.33, Florida Statutes, is amended to read:

544 | 1002.33 Charter schools.—

545 | (9) CHARTER SCHOOL REQUIREMENTS.—

546 | (j) The governing body of the charter school shall be
 547 | responsible for:

548 | 1. Establishing and maintaining internal controls designed

549 | to:

550 | a. Prevent and detect fraud, waste, and abuse.

551 b. Promote and encourage compliance with applicable laws,
 552 rules, contracts, grant agreements, and best practices.

553 c. Support economical and efficient operations.

554 d. Ensure reliability of financial records and reports.

555 e. Safeguard assets.

556 ~~2.4.~~ Ensuring that the charter school has retained the
 557 services of a certified public accountant or auditor for the
 558 annual financial audit, pursuant to s. 1002.345(2), who shall
 559 submit the report to the governing body.

560 ~~3.2.~~ Reviewing and approving the audit report, including
 561 audit findings and recommendations for the financial recovery
 562 plan.

563 ~~4.a.3.a.~~ Performing the duties in s. 1002.345, including
 564 monitoring a corrective action plan.

565 b. Monitoring a financial recovery plan in order to ensure
 566 compliance.

567 ~~5.4.~~ Participating in governance training approved by the
 568 department which must include government in the sunshine,
 569 conflicts of interest, ethics, and financial responsibility.

570 Section 17. Subsection (5) is added to section 1010.01,
 571 Florida Statutes, to read:

572 1010.01 Uniform records and accounts.—

573 (5) Each school district, Florida College System
 574 institution, and state university shall establish and maintain
 575 internal controls designed to:

- 576 (a) Prevent and detect fraud, waste, and abuse.
- 577 (b) Promote and encourage compliance with applicable laws,
- 578 rules, contracts, grant agreements, and best practices.
- 579 (c) Support economical and efficient operations.
- 580 (d) Ensure reliability of financial records and reports.
- 581 (e) Safeguard assets.

582 Section 18. Subsection (2) of section 1010.30, Florida
 583 Statutes, is amended to read:

584 1010.30 Audits required.—

585 (2) If a school district, Florida College System
 586 institution, or university audit report includes a
 587 recommendation that was included in the preceding financial
 588 audit report but remains unaddressed ~~an audit contains a~~
 589 ~~significant finding~~, the district school board, the Florida
 590 College System institution board of trustees, or the university
 591 board of trustees, within 60 days after the delivery of the
 592 audit report to the school district, Florida College System
 593 institution, or university, shall indicate ~~conduct an audit~~
 594 ~~overview~~ during a regularly scheduled public meeting whether it
 595 intends to take corrective action, the intended corrective
 596 action, and the timeframe for the corrective action. If the
 597 district school board, Florida College System institution board
 598 of trustees, or university board of trustees indicates that it
 599 does not intend to take corrective action, it shall explain its
 600 decision at the public meeting.

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601 Section 19. The Legislature finds that a proper and
602 legitimate state purpose is served when internal controls are
603 established to prevent and detect fraud, waste, and abuse and to
604 safeguard and account for government funds and property.
605 Therefore, the Legislature determines and declares that this act
606 fulfills an important state interest.

607 Section 20. This act shall take effect July 1, 2017.