

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"; excluding water management
12 districts from certain audit requirements; removing a
13 cross-reference; authorizing the Auditor General to
14 conduct audits of tourist development councils and
15 county tourism promotion agencies; revising reporting
16 requirements applicable to the Auditor General;
17 amending s. 28.35, F.S.; revising reporting
18 requirements applicable to the Florida Clerks of Court
19 Operations Corporation; amending s. 43.16, F.S.;
20 revising the responsibilities of the Justice
21 Administrative Commission, each state attorney, each
22 public defender, the criminal conflict and civil
23 regional counsel, the capital collateral regional
24 counsel, and the Guardian Ad Litem Program, to include
25 the establishment and maintenance of certain internal

26 controls; amending s. 112.061, F.S.; revising certain
27 lodging rates for the purpose of reimbursement to
28 specified employees; authorizing an employee to expend
29 his or her funds for certain lodging expenses;
30 amending ss. 129.03, 129.06, and 166.241, F.S.;
31 requiring counties and municipalities to maintain
32 certain budget documents on the entities' websites for
33 a specified period; amending s. 215.86, F.S.; revising
34 the purposes for which management systems and internal
35 controls must be established and maintained by each
36 state agency and the judicial branch; amending s.
37 215.97, F.S.; revising certain audit threshold
38 requirements; amending s. 215.985, F.S.; revising the
39 requirements for a monthly financial statement
40 provided by a water management district; amending s.
41 218.32, F.S.; revising the requirements of the annual
42 financial audit report of a local governmental entity;
43 authorizing the Department of Financial Services to
44 request additional information from a local
45 governmental entity; requiring a local governmental
46 entity to respond to such requests within a specified
47 timeframe; requiring the department to notify the
48 Legislative Auditing Committee of noncompliance;
49 amending s. 218.33, F.S.; requiring local governmental
50 entities to establish and maintain internal controls

51 to achieve specified purposes; amending s. 218.39,
52 F.S.; requiring an audited entity to respond to audit
53 recommendations under specified circumstances;
54 amending s. 218.391, F.S.; revising membership for the
55 audit committee; prohibiting an audit committee member
56 from being an employee, a chief executive officer, or
57 a chief financial officer of the respective
58 governmental entity; amending s. 286.0114, F.S.;
59 prohibiting a board or commission from requiring an
60 advance copy of testimony or comments from a member of
61 the public as a precondition to being given the
62 opportunity to be heard at a public meeting; amending
63 s. 373.536, F.S.; deleting obsolete language;
64 requiring water management districts to maintain
65 certain budget documents on the districts' websites
66 for a specified period; amending s. 1001.42, F.S.;
67 authorizing additional internal audits as directed by
68 the district school board; amending s. 1002.33, F.S.;
69 revising the responsibilities of the governing board
70 of a charter school to include the establishment and
71 maintenance of internal controls; removing obsolete
72 provisions; amending s. 1002.37, F.S.; requiring
73 completion of an annual financial audit of the Florida
74 Virtual School; specifying audit requirements;
75 requiring an audit report to be submitted to the board

76 | of trustees of the Florida Virtual School and the
 77 | Auditor General; deleting obsolete provisions;
 78 | amending s. 1010.01, F.S.; requiring each school
 79 | district, Florida College System institution, and
 80 | state university to establish and maintain certain
 81 | internal controls; amending s. 1010.30, F.S.;
 82 | requiring a district school board, Florida College
 83 | System institution board of trustees, or university
 84 | board of trustees to respond to audit recommendations
 85 | under certain circumstances; amending ss. 218.503 and
 86 | 1002.455, F.S.; conforming provisions and cross-
 87 | references to changes made by the act; declaring that
 88 | the act fulfills an important state interest;
 89 | providing an effective date.

90 |

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

92 |

93 | Section 1. Subsection (2) of section 11.40, Florida
 94 | Statutes, is amended to read:

95 | 11.40 Legislative Auditing Committee.—

96 | (2) Following notification by the Auditor General, the
 97 | Department of Financial Services, ~~or~~ the Division of Bond
 98 | Finance of the State Board of Administration, the Governor or
 99 | his or her designee, or the Commissioner of Education or his or
 100 | her designee of the failure of a local governmental entity,

101 district school board, charter school, or charter technical
 102 career center to comply with the applicable provisions within s.
 103 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
 104 Legislative Auditing Committee may schedule a hearing to
 105 determine if the entity should be subject to further state
 106 action. If the committee determines that the entity should be
 107 subject to further state action, the committee shall:

108 (a) In the case of a local governmental entity or district
 109 school board, direct the Department of Revenue and the
 110 Department of Financial Services to withhold any funds not
 111 pledged for bond debt service satisfaction which are payable to
 112 such entity until the entity complies with the law. The
 113 committee shall specify the date that such action must ~~shall~~
 114 begin, and the directive must be received by the Department of
 115 Revenue and the Department of Financial Services 30 days before
 116 the date of the distribution mandated by law. The Department of
 117 Revenue and the Department of Financial Services may implement
 118 ~~the provisions of~~ this paragraph.

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

120 1. A special act, notify the President of the Senate, the
 121 Speaker of the House of Representatives, the standing committees
 122 of the Senate and the House of Representatives charged with
 123 special district oversight as determined by the presiding
 124 officers of each respective chamber, the legislators who
 125 represent a portion of the geographical jurisdiction of the

126 special district, and the Department of Economic Opportunity
127 that the special district has failed to comply with the law.
128 Upon receipt of notification, the Department of Economic
129 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.
130 If the special district remains in noncompliance after the
131 process set forth in s. 189.0651, or if a public hearing is not
132 held, the Legislative Auditing Committee may request the
133 department to proceed pursuant to s. 189.067(3).

134 2. A local ordinance, notify the chair or equivalent of
135 the local general-purpose government pursuant to s. 189.0652 and
136 the Department of Economic Opportunity that the special district
137 has failed to comply with the law. Upon receipt of notification,
138 the department shall proceed pursuant to s. 189.062 or s.
139 189.067. If the special district remains in noncompliance after
140 the process set forth in s. 189.0652, or if a public hearing is
141 not held, the Legislative Auditing Committee may request the
142 department to proceed pursuant to s. 189.067(3).

143 3. Any manner other than a special act or local ordinance,
144 notify the Department of Economic Opportunity that the special
145 district has failed to comply with the law. Upon receipt of
146 notification, the department shall proceed pursuant to s.
147 189.062 or s. 189.067(3).

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

151 Section 2. Subsection (1), paragraph (j) of subsection
152 (2), paragraph (u) of subsection (3), and paragraph (i) of
153 subsection (7) of section 11.45, Florida Statutes, are amended,
154 and paragraph (x) is added to subsection (3) of that section to
155 read:

156 11.45 Definitions; duties; authorities; reports; rules.—

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

158 (a) "Abuse" means behavior that is deficient or improper
159 when compared with behavior that a prudent person would consider
160 a reasonable and necessary operational practice given the facts
161 and circumstances. The term includes the misuse of authority or
162 position for personal gain.

163 (b)~~(a)~~ "Audit" means a financial audit, operational audit,
164 or performance audit.

165 (c)~~(b)~~ "County agency" means a board of county
166 commissioners or other legislative and governing body of a
167 county, however styled, including that of a consolidated or
168 metropolitan government, a clerk of the circuit court, a
169 separate or ex officio clerk of the county court, a sheriff, a
170 property appraiser, a tax collector, a supervisor of elections,
171 or any other officer in whom any portion of the fiscal duties of
172 a body or officer expressly stated in this paragraph are ~~the~~
173 ~~above are under law~~ separately placed by law.

174 (d)~~(e)~~ "Financial audit" means an examination of financial
175 statements in order to express an opinion on the fairness with

176 | which they are presented in conformity with generally accepted
177 | accounting principles and an examination to determine whether
178 | operations are properly conducted in accordance with legal and
179 | regulatory requirements. Financial audits must be conducted in
180 | accordance with auditing standards generally accepted in the
181 | United States and government auditing standards as adopted by
182 | the Board of Accountancy. When applicable, the scope of
183 | financial audits must ~~shall~~ encompass the additional activities
184 | necessary to establish compliance with the Single Audit Act
185 | Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other
186 | applicable federal law.

187 | (e) "Fraud" means obtaining something of value through
188 | willful misrepresentation, including, but not limited to, the
189 | intentional misstatements or omissions of amounts or disclosures
190 | in financial statements to deceive users of financial
191 | statements, theft of an entity's assets, bribery, or the use of
192 | one's position for personal enrichment through the deliberate
193 | misuse or misapplication of an organization's resources.

194 | (f) ~~(d)~~ "Governmental entity" means a state agency, a
195 | county agency, or any other entity, however styled, that
196 | independently exercises any type of state or local governmental
197 | function.

198 | (g) ~~(e)~~ "Local governmental entity" means a county agency,
199 | municipality, tourist development council, county tourism
200 | promotion agency, or special district as defined in s. 189.012.

201 The term, ~~but~~ does not include any housing authority established
 202 under chapter 421.

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

205 (i)~~(g)~~ "Operational audit" means an audit whose purpose is
 206 to evaluate management's performance in establishing and
 207 maintaining internal controls, including controls designed to
 208 prevent and detect fraud, waste, and abuse, and in administering
 209 assigned responsibilities in accordance with applicable laws,
 210 administrative rules, contracts, grant agreements, and other
 211 guidelines. Operational audits must be conducted in accordance
 212 with government auditing standards. Such audits examine internal
 213 controls that are designed and placed in operation to promote
 214 and encourage the achievement of management's control objectives
 215 in the categories of compliance, economic and efficient
 216 operations, reliability of financial records and reports, and
 217 safeguarding of assets, and identify weaknesses in those
 218 internal controls.

219 (j)~~(h)~~ "Performance audit" means an examination of a
 220 program, activity, or function of a governmental entity,
 221 conducted in accordance with applicable government auditing
 222 standards or auditing and evaluation standards of other
 223 appropriate authoritative bodies. The term includes an
 224 examination of issues related to:

- 225 1. Economy, efficiency, or effectiveness of the program.

226 2. Structure or design of the program to accomplish its
227 goals and objectives.

228 3. Adequacy of the program to meet the needs identified by
229 the Legislature or governing body.

230 4. Alternative methods of providing program services or
231 products.

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

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

236 7. Compliance of the program with appropriate policies,
237 rules, or laws.

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

240 (k)~~(i)~~ "Political subdivision" means a separate agency or
241 unit of local government created or established by law and
242 includes, but is not limited to, the following and the officers
243 thereof: authority, board, branch, bureau, city, commission,
244 consolidated government, county, department, district,
245 institution, metropolitan government, municipality, office,
246 officer, public corporation, town, or village.

247 (l)~~(j)~~ "State agency" means a separate agency or unit of
248 state government created or established by law and includes, but
249 is not limited to, the following and the officers thereof:
250 authority, board, branch, bureau, commission, department,

251 division, institution, office, officer, or public corporation,
252 as the case may be, except any such agency or unit within the
253 legislative branch of state government other than the Florida
254 Public Service Commission.

255 (m) "Waste" means the act of using or expending resources
256 unreasonably, carelessly, extravagantly, or for no useful
257 purpose.

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

259 (j) Conduct audits of local governmental entities when
260 determined to be necessary by the Auditor General, when directed
261 by the Legislative Auditing Committee, or when otherwise
262 required by law. No later than 18 months after the release of
263 the audit report, the Auditor General shall perform such
264 appropriate followup procedures as he or she deems necessary to
265 determine the audited entity's progress in addressing the
266 findings and recommendations contained within the Auditor
267 General's previous report. The Auditor General shall notify each
268 member of the audited entity's governing body and the
269 Legislative Auditing Committee of the results of his or her
270 determination. For purposes of this paragraph, local
271 governmental entities do not include water management districts.

272
273 The Auditor General shall perform his or her duties
274 independently but under the general policies established by the
275 Legislative Auditing Committee. This subsection does not limit

276 the Auditor General's discretionary authority to conduct other
277 audits or engagements of governmental entities as authorized in
278 subsection (3).

279 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The
280 Auditor General may, pursuant to his or her own authority, or at
281 the direction of the Legislative Auditing Committee, conduct
282 audits or other engagements as determined appropriate by the
283 Auditor General of:

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

285 (x) Tourist development councils and county tourism
286 promotion agencies.

287 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

288 (i) The Auditor General shall annually transmit by July
289 15, to the President of the Senate, the Speaker of the House of
290 Representatives, and the Department of Financial Services, a
291 list of all school districts, charter schools, charter technical
292 career centers, Florida College System institutions, state
293 universities, and local governmental entities ~~water management~~
294 ~~districts~~ that have failed to comply with the transparency
295 requirements as identified in the audit reports reviewed
296 pursuant to paragraph (b) and those conducted pursuant to
297 subsection (2).

298 Section 3. Paragraph (d) of subsection (2) of section
299 28.35, Florida Statutes, is amended to read:

300 28.35 Florida Clerks of Court Operations Corporation.—

301 (2) The duties of the corporation shall include the
302 following:

303 (d) Developing and certifying a uniform system of workload
304 measures and applicable workload standards for court-related
305 functions as developed by the corporation and clerk workload
306 performance in meeting the workload performance standards. These
307 workload measures and workload performance standards shall be
308 designed to facilitate an objective determination of the
309 performance of each clerk in accordance with minimum standards
310 for fiscal management, operational efficiency, and effective
311 collection of fines, fees, service charges, and court costs. The
312 corporation shall develop the workload measures and workload
313 performance standards in consultation with the Legislature. When
314 the corporation finds a clerk has not met the workload
315 performance standards, the corporation shall identify the nature
316 of each deficiency and any corrective action recommended and
317 taken by the affected clerk of the court. For quarterly periods
318 ending on the last day of March, June, September, and December
319 of each year, the corporation shall notify the Legislature of
320 any clerk not meeting workload performance standards and provide
321 a copy of any corrective action plans. Such notifications shall
322 be submitted no later than 45 days after the end of the
323 preceding quarterly period. As used in this subsection, the
324 term:

325 1. "Workload measures" means the measurement of the

326 activities and frequency of the work required for the clerk to
327 adequately perform the court-related duties of the office as
328 defined by the membership of the Florida Clerks of Court
329 Operations Corporation.

330 2. "Workload performance standards" means the standards
331 developed to measure the timeliness and effectiveness of the
332 activities that are accomplished by the clerk in the performance
333 of the court-related duties of the office as defined by the
334 membership of the Florida Clerks of Court Operations
335 Corporation.

336 Section 4. Subsections (6) and (7) of section 43.16,
337 Florida Statutes, are renumbered as subsections (7) and (8),
338 respectively, and a new subsection (6) is added to that section
339 to read:

340 43.16 Justice Administrative Commission; membership,
341 powers and duties.—

342 (6) The commission, each state attorney, each public
343 defender, the criminal conflict and civil regional counsel, the
344 capital collateral regional counsel, and the Guardian Ad Litem
345 Program shall establish and maintain internal controls designed
346 to:

347 (a) Prevent and detect fraud, waste, and abuse as defined
348 in s. 11.45(1).

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

- 351 (c) Support economical and efficient operations.
- 352 (d) Ensure reliability of financial records and reports.
- 353 (e) Safeguard assets.

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

356 112.061 Per diem and travel expenses of public officers,
 357 employees, and authorized persons.—

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

361 (a) All travelers shall be allowed for subsistence when
 362 traveling to a convention or conference or when traveling within
 363 or outside the state in order to conduct bona fide state
 364 business, which convention, conference, or business serves a
 365 direct and lawful public purpose with relation to the public
 366 agency served by the person attending such meeting or conducting
 367 such business, either of the following for each day of such
 368 travel at the option of the traveler:

- 369 1. Eighty dollars per diem; or
- 370 2. If actual expenses exceed \$80, the amounts permitted in
 371 paragraph (b) for subsistence, plus actual expenses for lodging
 372 at a single-occupancy rate, except as provided in paragraph (c),
 373 to be substantiated by paid bills therefor.

374

375 When lodging or meals are provided at a state institution, the

376 traveler shall be reimbursed only for the actual expenses of
 377 such lodging or meals, not to exceed the maximum provided for in
 378 this subsection.

379 (b) All travelers shall be allowed the following amounts
 380 for subsistence while on Class C travel on official business as
 381 provided in paragraph (5) (b):

- 382 1. Breakfast.....\$6
- 383 2. Lunch.....\$11
- 384 3. Dinner.....\$19

385 (c) Actual expenses for lodging associated with the
 386 attendance of an employee of a state agency or the judicial
 387 branch at a meeting, conference, or convention organized or
 388 sponsored in whole or in part by a state agency or the judicial
 389 branch may not exceed \$150 per day. However, an employee may
 390 expend his or her own funds for any lodging expenses that exceed
 391 \$150 per day.

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

395 Section 6. Paragraph (c) of subsection (3) of section
 396 129.03, Florida Statutes, is amended to read:

397 129.03 Preparation and adoption of budget.—

398 (3) The county budget officer, after tentatively
 399 ascertaining the proposed fiscal policies of the board for the
 400 next fiscal year, shall prepare and present to the board a

401 tentative budget for the next fiscal year for each of the funds
 402 provided in this chapter, including all estimated receipts,
 403 taxes to be levied, and balances expected to be brought forward
 404 and all estimated expenditures, reserves, and balances to be
 405 carried over at the end of the year.

406 (c) The board shall hold public hearings to adopt
 407 tentative and final budgets pursuant to s. 200.065. The hearings
 408 shall be primarily for the purpose of hearing requests and
 409 complaints from the public regarding the budgets and the
 410 proposed tax levies and for explaining the budget and any
 411 proposed or adopted amendments. The tentative budget must be
 412 posted on the county's official website at least 2 days before
 413 the public hearing to consider such budget and must remain on
 414 the website for at least 45 days. The final budget must be
 415 posted on the website within 30 days after adoption and must
 416 remain on the website for at least 2 years. The tentative
 417 budgets, adopted tentative budgets, and final budgets shall be
 418 filed in the office of the county auditor as a public record.
 419 Sufficient reference in words and figures to identify the
 420 particular transactions must ~~shall~~ be made in the minutes of the
 421 board to record its actions with reference to the budgets.

422 Section 7. Paragraph (f) of subsection (2) of section
 423 129.06, Florida Statutes, is amended to read:

424 129.06 Execution and amendment of budget.—

425 (2) The board at any time within a fiscal year may amend a

426 budget for that year, and may within the first 60 days of a
 427 fiscal year amend the budget for the prior fiscal year, as
 428 follows:

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

434 1. The public hearing must be advertised at least 2 days,
 435 but not more than 5 days, before the date of the hearing. The
 436 advertisement must appear in a newspaper of paid general
 437 circulation and must identify the name of the taxing authority,
 438 the date, place, and time of the hearing, and the purpose of the
 439 hearing. The advertisement must also identify each budgetary
 440 fund to be amended, the source of the funds, the use of the
 441 funds, and the total amount of each fund's appropriations.

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

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

448 166.241 Fiscal years, budgets, and budget amendments.—

449 (3) The tentative budget must be posted on the
 450 municipality's official website at least 2 days before the

451 budget hearing, held pursuant to s. 200.065 or other law, to
452 consider such budget and must remain on the website for at least
453 45 days. The final adopted budget must be posted on the
454 municipality's official website within 30 days after adoption
455 and must remain on the website for at least 2 years. If the
456 municipality does not operate an official website, the
457 municipality must, within a reasonable period of time as
458 established by the county or counties in which the municipality
459 is located, transmit the tentative budget and final budget to
460 the manager or administrator of such county or counties who
461 shall post the budgets on the county's website.

462 (5) If the governing body of a municipality amends the
463 budget pursuant to paragraph (4)(c), the adopted amendment must
464 be posted on the official website of the municipality within 5
465 days after adoption and must remain on the website for at least
466 2 years. If the municipality does not operate an official
467 website, the municipality must, within a reasonable period of
468 time as established by the county or counties in which the
469 municipality is located, transmit the adopted amendment to the
470 manager or administrator of such county or counties who shall
471 post the adopted amendment on the county's website.

472 Section 9. Section 215.86, Florida Statutes, is amended to
473 read:

474 215.86 Management systems and controls.—Each state agency
475 and the judicial branch as defined in s. 216.011 shall establish

476 and maintain management systems and internal controls designed
 477 to:

478 (1) Prevent and detect fraud, waste, and abuse as defined
 479 in s. 11.45(1). ~~that~~

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

482 (3) Support economical and ~~economic,~~ efficient, and
 483 effective operations.†

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

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

488 Section 10. Paragraph (a) of subsection (2) of section
 489 215.97, Florida Statutes, is amended to read:

490 215.97 Florida Single Audit Act.—

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

492 (a) "Audit threshold" means the threshold amount used to
 493 determine when a state single audit or project-specific audit of
 494 a nonstate entity shall be conducted in accordance with this
 495 section. Each nonstate entity that expends a total amount of
 496 state financial assistance equal to or in excess of \$750,000 in
 497 any fiscal year of such nonstate entity shall be required to
 498 have a state single audit,† or a project-specific audit,† for such
 499 fiscal year in accordance with the requirements of this section.
 500 ~~Every 2 years the Auditor General, After consulting with the~~

501 Executive Office of the Governor, the Department of Financial
 502 Services, and all state awarding agencies, the Auditor General
 503 shall periodically review the threshold amount for requiring
 504 audits under this section and may recommend any appropriate
 505 statutory change to revise the threshold amount in the annual
 506 report submitted pursuant to s. 11.45(7)(h) to the Legislature
 507 ~~adjust such threshold amount consistent with the purposes of~~
 508 ~~this section.~~

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

511 215.985 Transparency in government spending.—

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

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

519 218.32 Annual financial reports; local governmental
 520 entities.—

521 (1)

522 (d) Each local governmental entity that is required to
 523 provide for an audit under s. 218.39(1) must submit a copy of
 524 the audit report and annual financial report to the department
 525 within 45 days after the completion of the audit report but no

526 | later than 9 months after the end of the fiscal year. In
527 | conducting an audit of a local governmental entity pursuant to
528 | s. 218.39, an independent certified public accountant shall
529 | determine whether the entity's annual financial report is in
530 | agreement with the audited financial statements. If the audited
531 | financial statements are not in agreement with the annual
532 | financial report, the accountant shall specify and explain the
533 | significant differences that exist between the audited financial
534 | statements and the annual financial report.

535 | (2) The department shall annually by December 1 file a
536 | verified report with the Governor, the Legislature, the Auditor
537 | General, and the Special District Accountability Program of the
538 | Department of Economic Opportunity showing the revenues, both
539 | locally derived and derived from intergovernmental transfers,
540 | and the expenditures of each local governmental entity, regional
541 | planning council, local government finance commission, and
542 | municipal power corporation that is required to submit an annual
543 | financial report. In preparing the verified report, the
544 | department may request additional information from the local
545 | governmental entity. The information requested must be provided
546 | to the department within 45 days after the request. If the local
547 | governmental entity does not comply with the request, the
548 | department shall notify the Legislative Auditing Committee,
549 | which may take action pursuant to s. 11.40(2). The report must
550 | include, but is not limited to:

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

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

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

562 218.33 Local governmental entities; establishment of
 563 uniform fiscal years and accounting practices and procedures.—

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

566 (a) Prevent and detect fraud, waste, and abuse as defined
 567 in s. 11.45(1).

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

570 (c) Support economical and efficient operations.

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

572 (e) Safeguard assets.

573 Section 14. Subsections (8) through (12) of section
 574 218.39, Florida Statutes, are renumbered as subsections (9)
 575 through (13), respectively, and a new subsection (8) is added to

576 | that section to read:

577 | 218.39 Annual financial audit reports.—

578 | (8) If the audit report includes a recommendation that was
 579 | included in the preceding financial audit report but remains
 580 | unaddressed, the governing body of the audited entity, within 60
 581 | days after the delivery of the audit report to the governing
 582 | body, shall indicate during a regularly scheduled public meeting
 583 | whether it intends to take corrective action, the intended
 584 | corrective action, and the timeframe for the corrective action.
 585 | If the governing body indicates that it does not intend to take
 586 | corrective action, it must explain its decision at the public
 587 | meeting.

588 | Section 15. Subsection (2) of section 218.391, Florida
 589 | Statutes, is amended to read:

590 | 218.391 Auditor selection procedures.—

591 | (2) The governing body of a ~~charter~~ county, municipality,
 592 | special district, district school board, charter school, or
 593 | charter technical career center shall establish an audit
 594 | committee.

595 | (a) The audit committee for a county ~~Each noncharter~~
 596 | ~~county shall establish an audit committee that,~~ at a minimum,
 597 | shall consist of each of the county officers elected pursuant to
 598 | the county charter or s. 1(d), Art. VIII of the State
 599 | Constitution, or their respective designees ~~a designee,~~ and one
 600 | member of the board of county commissioners or its designee.

601 (b) The audit committee for a municipality, special
 602 district, district school board, charter school, or charter
 603 technical career center shall consist of at least three members.
 604 One member of the audit committee must be a member of the
 605 governing body of an entity specified in this paragraph, who
 606 shall also serve as the chair of the committee.

607 (c) An employee, chief executive officer, or chief
 608 financial officer of the county, municipality, special district,
 609 district school board, charter school, or charter technical
 610 career center may not serve as a member of an audit committee
 611 established under this subsection.

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

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

620 286.0114 Public meetings; reasonable opportunity to be
 621 heard; attorney fees.—

622 (2) Members of the public shall be given a reasonable
 623 opportunity to be heard on a proposition before a board or
 624 commission. The opportunity to be heard need not occur at the
 625 same meeting at which the board or commission takes official

626 | action on the proposition if the opportunity occurs at a meeting
 627 | that is during the decisionmaking process and is within
 628 | reasonable proximity in time before the meeting at which the
 629 | board or commission takes the official action. A board or
 630 | commission may not require a member of the public to provide an
 631 | advance written copy of his or her testimony or comments as a
 632 | condition of being given the opportunity to be heard at a
 633 | meeting. This section does not prohibit a board or commission
 634 | from maintaining orderly conduct or proper decorum in a public
 635 | meeting. The opportunity to be heard is subject to rules or
 636 | policies adopted by the board or commission, as provided in
 637 | subsection (4).

638 | Section 17. Paragraph (e) of subsection (4), paragraph (d)
 639 | of subsection (5), and paragraph (d) of subsection (6) of
 640 | section 373.536, Florida Statutes, are amended to read:

641 | 373.536 District budget and hearing thereon.—

642 | (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

643 | (e) ~~By September 1, 2012,~~ Each district shall provide a
 644 | monthly financial statement in the form and manner prescribed by
 645 | the Department of Financial Services to the district's governing
 646 | board and make such monthly financial statement available for
 647 | public access on its website.

648 | (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
 649 | APPROVAL.—

650 | (d) Each district shall, by August 1 of each year, submit

651 for review a tentative budget and a description of any
 652 significant changes from the preliminary budget submitted to the
 653 Legislature pursuant to s. 373.535 to the Governor, the
 654 President of the Senate, the Speaker of the House of
 655 Representatives, the chairs of all legislative committees and
 656 subcommittees having substantive or fiscal jurisdiction over
 657 water management districts, as determined by the President of
 658 the Senate or the Speaker of the House of Representatives, as
 659 applicable, the secretary of the department, and the governing
 660 body of each county in which the district has jurisdiction or
 661 derives any funds for the operations of the district. The
 662 tentative budget must be posted on the district's official
 663 website at least 2 days before budget hearings held pursuant to
 664 s. 200.065 or other law and must remain on the website for at
 665 least 45 days.

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

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

671 Section 18. Paragraph (1) of subsection (12) of section
 672 1001.42, Florida Statutes, is amended to read:

673 1001.42 Powers and duties of district school board.—The
 674 district school board, acting as a board, shall exercise all
 675 powers and perform all duties listed below:

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

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

683 1. The adequacy of internal controls designed to prevent
 684 and detect fraud, waste, and abuse as defined in s. 11.45(1).

685 2. Compliance with applicable laws, rules, contracts,
 686 grant agreements, district school board-approved policies, and
 687 best practices.

688 3. The efficiency of operations.

689 4. The reliability of financial records and reports.

690 5. The safeguarding of assets.

691

692 The internal auditor shall report directly to the district
 693 school board or its designee.

694 Section 19. Paragraph (j) of subsection (9) of section
 695 1002.33, Florida Statutes, is amended to read:

696 1002.33 Charter schools.—

697 (9) CHARTER SCHOOL REQUIREMENTS.—

698 (j) The governing body of the charter school shall be
 699 responsible for:

700 1. Establishing and maintaining internal controls designed

701 to:

702 a. Prevent and detect fraud, waste, and abuse as defined
 703 in s. 11.45(1).

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

706 c. Support economical and efficient operations.

707 d. Ensure reliability of financial records and reports.

708 e. Safeguard assets.

709 ~~2.1.~~ Ensuring that the charter school has retained the
 710 services of a certified public accountant or auditor for the
 711 annual financial audit, pursuant to s. 1002.345(2), who shall
 712 submit the report to the governing body.

713 ~~3.2.~~ Reviewing and approving the audit report, including
 714 audit findings and recommendations for the financial recovery
 715 plan.

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

718 b. Monitoring a financial recovery plan in order to ensure
 719 compliance.

720 ~~5.4.~~ Participating in governance training approved by the
 721 department which must include government in the sunshine,
 722 conflicts of interest, ethics, and financial responsibility.

723 Section 20. Subsections (6) through (10) of section
 724 1002.37, Florida Statutes, are renumbered as subsections (7)
 725 through (11), respectively, a new subsection (6) is added to

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

728 1002.37 The Florida Virtual School.—

729 (6) The Florida Virtual School shall have an annual
730 financial audit of its accounts and records conducted by an
731 independent auditor who is a certified public accountant
732 licensed under chapter 473. The independent auditor shall
733 conduct the audit in accordance with rules adopted by the
734 Auditor General pursuant to s. 11.45 and, upon completion of the
735 audit, shall prepare an audit report in accordance with such
736 rules. The audit report must include a written statement by the
737 board of trustees describing corrective action to be taken in
738 response to each of the recommendations of the independent
739 auditor included in the audit report. The independent auditor
740 shall submit the audit report to the board of trustees and the
741 Auditor General no later than 9 months after the end of the
742 preceding fiscal year.

743 (7)~~(6)~~ The board of trustees shall annually submit to the
744 Governor, the Legislature, the Commissioner of Education, and
745 the State Board of Education the audit report prepared pursuant
746 to subsection (6) and a complete and detailed report setting
747 forth:

748 (a) The operations and accomplishments of the Florida
749 Virtual School within the state and those occurring outside the
750 state as Florida Virtual School Global.

751 (b) The marketing and operational plan for the Florida
752 Virtual School and Florida Virtual School Global, including
753 recommendations regarding methods for improving the delivery of
754 education through the Internet and other distance learning
755 technology.

756 (c) The assets and liabilities of the Florida Virtual
757 School and Florida Virtual School Global at the end of the
758 fiscal year.

759 ~~(d) A copy of an annual financial audit of the accounts~~
760 ~~and records of the Florida Virtual School and Florida Virtual~~
761 ~~School Global, conducted by an independent certified public~~
762 ~~accountant and performed in accordance with rules adopted by the~~
763 ~~Auditor General.~~

764 (d)~~(e)~~ Recommendations regarding the unit cost of
765 providing services to students through the Florida Virtual
766 School and Florida Virtual School Global. In order to most
767 effectively develop public policy regarding any future funding
768 of the Florida Virtual School, it is imperative that the cost of
769 the program is accurately identified. The identified cost of the
770 program must be based on reliable data.

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

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

776 ~~School Global. The scope of the audit shall include, but not be~~
777 ~~limited to, the administration of responsibilities relating to~~
778 ~~personnel; procurement and contracting; revenue production;~~
779 ~~school funds, including internal funds; student enrollment~~
780 ~~records; franchise agreements; information technology~~
781 ~~utilization, assets, and security; performance measures and~~
782 ~~standards; and accountability. The final report on the audit~~
783 ~~shall be submitted to the President of the Senate and the~~
784 ~~Speaker of the House of Representatives no later than January~~
785 ~~31, 2014.~~

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

788 1010.01 Uniform records and accounts.—

789 (5) Each school district, Florida College System
790 institution, and state university shall establish and maintain
791 internal controls designed to:

792 (a) Prevent and detect fraud, waste, and abuse as defined
793 in s. 11.45(1).

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

796 (c) Support economical and efficient operations.

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

798 (e) Safeguard assets.

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

801 1010.30 Audits required.—
802 (2) If a school district, Florida College System
803 institution, or university audit report includes a
804 recommendation that was included in the preceding financial
805 audit report but remains unaddressed ~~an audit contains a~~
806 ~~significant finding~~, the district school board, the Florida
807 College System institution board of trustees, or the university
808 board of trustees, within 60 days after the delivery of the
809 audit report to the school district, Florida College System
810 institution, or university, shall indicate ~~conduct an audit~~
811 ~~overview~~ during a regularly scheduled public meeting whether it
812 intends to take corrective action, the intended corrective
813 action, and the timeframe for the corrective action. If the
814 district school board, Florida College System institution board
815 of trustees, or university board of trustees indicates that it
816 does not intend to take corrective action, it shall explain its
817 decision at the public meeting.

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

820 218.503 Determination of financial emergency.—

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

826 his or her designee shall contact the district school board, as
827 appropriate, to determine what actions have been taken by the
828 local governmental entity or the district school board to
829 resolve or prevent the condition. The information requested must
830 be provided within 45 days after the date of the request. If the
831 local governmental entity or the district school board does not
832 comply with the request, the Governor or his or her designee or
833 the Commissioner of Education or his or her designee shall
834 notify ~~the members of~~ the Legislative Auditing Committee, which
835 ~~who~~ may take action pursuant to s. 11.40(2) ~~11.40~~. The Governor
836 or the Commissioner of Education, as appropriate, shall
837 determine whether the local governmental entity or the district
838 school board needs state assistance to resolve or prevent the
839 condition. If state assistance is needed, the local governmental
840 entity or district school board is considered to be in a state
841 of financial emergency. The Governor or the Commissioner of
842 Education, as appropriate, has the authority to implement
843 measures as set forth in ss. 218.50-218.504 to assist the local
844 governmental entity or district school board in resolving the
845 financial emergency. Such measures may include, but are not
846 limited to:

847 (a) Requiring approval of the local governmental entity's
848 budget by the Governor or approval of the district school
849 board's budget by the Commissioner of Education.

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

851 entity and providing for repayment of same.

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

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

860 (e) Consulting with officials and auditors of the local
861 governmental entity or the district school board and the
862 appropriate state officials regarding any steps necessary to
863 bring the books of account, accounting systems, financial
864 procedures, and reports into compliance with state requirements.

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

867 (g)1. Establishing a financial emergency board to oversee
868 the activities of the local governmental entity or the district
869 school board. If a financial emergency board is established for
870 a local governmental entity, the Governor shall appoint board
871 members and select a chair. If a financial emergency board is
872 established for a district school board, the State Board of
873 Education shall appoint board members and select a chair. The
874 financial emergency board shall adopt such rules as are
875 necessary for conducting board business. The board may:

876 a. Make such reviews of records, reports, and assets of
877 the local governmental entity or the district school board as
878 are needed.

879 b. Consult with officials and auditors of the local
880 governmental entity or the district school board and the
881 appropriate state officials regarding any steps necessary to
882 bring the books of account, accounting systems, financial
883 procedures, and reports of the local governmental entity or the
884 district school board into compliance with state requirements.

885 c. Review the operations, management, efficiency,
886 productivity, and financing of functions and operations of the
887 local governmental entity or the district school board.

888 d. Consult with other governmental entities for the
889 consolidation of all administrative direction and support
890 services, including, but not limited to, services for asset
891 sales, economic and community development, building inspections,
892 parks and recreation, facilities management, engineering and
893 construction, insurance coverage, risk management, planning and
894 zoning, information systems, fleet management, and purchasing.

895 2. The recommendations and reports made by the financial
896 emergency board must be submitted to the Governor for local
897 governmental entities or to the Commissioner of Education and
898 the State Board of Education for district school boards for
899 appropriate action.

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

901 officials of the local governmental entity or the district
 902 school board in consultation with the appropriate state
 903 officials, prescribing actions that will cause the local
 904 governmental entity or district school board to no longer be
 905 subject to this section. The plan must include, but need not be
 906 limited to:

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

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

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

914 4. Provisions implementing the consolidation, sourcing, or
 915 discontinuance of all administrative direction and support
 916 services, including, but not limited to, services for asset
 917 sales, economic and community development, building inspections,
 918 parks and recreation, facilities management, engineering and
 919 construction, insurance coverage, risk management, planning and
 920 zoning, information systems, fleet management, and purchasing.

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

923 1002.455 Student eligibility for K-12 virtual
 924 instruction.—

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

926 instruction if:

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

931 (b) The student is a dependent child of a member of the
932 United States Armed Forces who was transferred within the last
933 12 months to this state from another state or from a foreign
934 country pursuant to a permanent change of station order;

935 (c) The student was enrolled during the prior school year
936 in a virtual instruction program under s. 1002.45 or a full-time
937 Florida Virtual School program under s. 1002.37(9)(a)
938 ~~1002.37(8)(a)~~;

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

942 (e) The student is eligible to enter kindergarten or first
943 grade; or

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

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

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951 | safeguard and account for government funds and property.
952 | Therefore, the Legislature determines and declares that this act
953 | fulfills an important state interest.
954 | Section 26. This act shall take effect July 1, 2017.