

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 defining the term "statewide travel management
31 system"; requiring agencies and the judicial branch to
32 report certain travel information of public officers
33 and employees in the statewide travel management
34 system; requiring executive branch state agencies and
35 the judicial branch to use the statewide travel
36 management system for certain purposes; amending ss.
37 129.03, 129.06, and 166.241, F.S.; requiring counties
38 and municipalities to maintain certain budget
39 documents on the entities' websites for a specified
40 period; amending s. 215.86, F.S.; revising the
41 purposes for which management systems and internal
42 controls must be established and maintained by each
43 state agency and the judicial branch; amending s.
44 215.97, F.S.; revising certain audit threshold
45 requirements; amending s. 215.985, F.S.; revising the
46 requirements for a monthly financial statement
47 provided by a water management district; amending s.
48 218.32, F.S.; revising the requirements of the annual
49 financial audit report of a local governmental entity;
50 authorizing the Department of Financial Services to

51 request additional information from a local
52 governmental entity; requiring a local governmental
53 entity to respond to such requests within a specified
54 timeframe; requiring the department to notify the
55 Legislative Auditing Committee of noncompliance;
56 amending s. 218.33, F.S.; requiring local governmental
57 entities to establish and maintain internal controls
58 to achieve specified purposes; amending s. 218.39,
59 F.S.; requiring an audited entity to respond to audit
60 recommendations under specified circumstances;
61 amending s. 218.391, F.S.; revising membership for the
62 audit committee; prohibiting an audit committee member
63 from being an employee, a chief executive officer, or
64 a chief financial officer of the respective
65 governmental entity; amending s. 286.0114, F.S.;
66 prohibiting a board or commission from requiring an
67 advance copy of testimony or comments from a member of
68 the public as a precondition to being given the
69 opportunity to be heard at a public meeting; amending
70 s. 373.536, F.S.; deleting obsolete language;
71 requiring water management districts to maintain
72 certain budget documents on the districts' websites
73 for a specified period; amending s. 1001.42, F.S.;
74 authorizing additional internal audits as directed by
75 the district school board; amending s. 1002.33, F.S.;

76 | revising the responsibilities of the governing board
 77 | of a charter school to include the establishment and
 78 | maintenance of internal controls; removing obsolete
 79 | provisions; amending s. 1002.37, F.S.; requiring
 80 | completion of an annual financial audit of the Florida
 81 | Virtual School; specifying audit requirements;
 82 | requiring an audit report to be submitted to the board
 83 | of trustees of the Florida Virtual School and the
 84 | Auditor General; deleting obsolete provisions;
 85 | amending s. 1010.01, F.S.; requiring each school
 86 | district, Florida College System institution, and
 87 | state university to establish and maintain certain
 88 | internal controls; amending s. 1010.30, F.S.;
 89 | requiring a district school board, Florida College
 90 | System institution board of trustees, or university
 91 | board of trustees to respond to audit recommendations
 92 | under certain circumstances; amending ss. 218.503 and
 93 | 1002.455, F.S.; conforming provisions and cross-
 94 | references to changes made by the act; declaring that
 95 | the act fulfills an important state interest;
 96 | providing an effective date.

97 |
 98 | Be It Enacted by the Legislature of the State of Florida:
 99 |

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

101 Statutes, is amended to read:

102 11.40 Legislative Auditing Committee.—

103 (2) Following notification by the Auditor General, the
 104 Department of Financial Services, ~~or~~ the Division of Bond
 105 Finance of the State Board of Administration, the Governor or
 106 his or her designee, or the Commissioner of Education or his or
 107 her designee of the failure of a local governmental entity,
 108 district school board, charter school, or charter technical
 109 career center to comply with the applicable provisions within s.
 110 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
 111 Legislative Auditing Committee may schedule a hearing to
 112 determine if the entity should be subject to further state
 113 action. If the committee determines that the entity should be
 114 subject to further state action, the committee shall:

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

126 (b) In the case of a special district created by:
 127 1. A special act, notify the President of the Senate, the
 128 Speaker of the House of Representatives, the standing committees
 129 of the Senate and the House of Representatives charged with
 130 special district oversight as determined by the presiding
 131 officers of each respective chamber, the legislators who
 132 represent a portion of the geographical jurisdiction of the
 133 special district, and the Department of Economic Opportunity
 134 that the special district has failed to comply with the law.
 135 Upon receipt of notification, the Department of Economic
 136 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.
 137 If the special district remains in noncompliance after the
 138 process set forth in s. 189.0651, or if a public hearing is not
 139 held, the Legislative Auditing Committee may request the
 140 department to proceed pursuant to s. 189.067(3).
 141 2. A local ordinance, notify the chair or equivalent of
 142 the local general-purpose government pursuant to s. 189.0652 and
 143 the Department of Economic Opportunity that the special district
 144 has failed to comply with the law. Upon receipt of notification,
 145 the department shall proceed pursuant to s. 189.062 or s.
 146 189.067. If the special district remains in noncompliance after
 147 the process set forth in s. 189.0652, or if a public hearing is
 148 not held, the Legislative Auditing Committee may request the
 149 department to proceed pursuant to s. 189.067(3).
 150 3. Any manner other than a special act or local ordinance,

151 notify the Department of Economic Opportunity that the special
 152 district has failed to comply with the law. Upon receipt of
 153 notification, the department shall proceed pursuant to s.
 154 189.062 or s. 189.067(3).

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

158 Section 2. Subsection (1), paragraph (j) of subsection
 159 (2), paragraph (u) of subsection (3), and paragraph (i) of
 160 subsection (7) of section 11.45, Florida Statutes, are amended,
 161 and paragraph (x) is added to subsection (3) of that section to
 162 read:

163 11.45 Definitions; duties; authorities; reports; rules.—

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

165 (a) "Abuse" means behavior that is deficient or improper
 166 when compared with behavior that a prudent person would consider
 167 a reasonable and necessary operational practice given the facts
 168 and circumstances. The term includes the misuse of authority or
 169 position for personal gain.

170 (b)~~(a)~~ "Audit" means a financial audit, operational audit,
 171 or performance audit.

172 (c)~~(b)~~ "County agency" means a board of county
 173 commissioners or other legislative and governing body of a
 174 county, however styled, including that of a consolidated or
 175 metropolitan government, a clerk of the circuit court, a

176 separate or ex officio clerk of the county court, a sheriff, a
177 property appraiser, a tax collector, a supervisor of elections,
178 or any other officer in whom any portion of the fiscal duties of
179 a body or officer expressly stated in this paragraph are the
180 above are under law separately placed by law.

181 (d) ~~(e)~~ "Financial audit" means an examination of financial
182 statements in order to express an opinion on the fairness with
183 which they are presented in conformity with generally accepted
184 accounting principles and an examination to determine whether
185 operations are properly conducted in accordance with legal and
186 regulatory requirements. Financial audits must be conducted in
187 accordance with auditing standards generally accepted in the
188 United States and government auditing standards as adopted by
189 the Board of Accountancy. When applicable, the scope of
190 financial audits must ~~shall~~ encompass the additional activities
191 necessary to establish compliance with the Single Audit Act
192 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other
193 applicable federal law.

194 (e) "Fraud" means obtaining something of value through
195 willful misrepresentation, including, but not limited to, the
196 intentional misstatements or intentional omissions of amounts or
197 disclosures in financial statements to deceive users of
198 financial statements, theft of an entity's assets, bribery, or
199 the use of one's position for personal enrichment through the
200 deliberate misuse or misapplication of an organization's

201 resources.

202 (f)~~(d)~~ "Governmental entity" means a state agency, a
203 county agency, or any other entity, however styled, that
204 independently exercises any type of state or local governmental
205 function.

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

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

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

226 internal controls.

227 (j)~~(h)~~ "Performance audit" means an examination of a
228 program, activity, or function of a governmental entity,
229 conducted in accordance with applicable government auditing
230 standards or auditing and evaluation standards of other
231 appropriate authoritative bodies. The term includes an
232 examination of issues related to:

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

234 2. Structure or design of the program to accomplish its
235 goals and objectives.

236 3. Adequacy of the program to meet the needs identified by
237 the Legislature or governing body.

238 4. Alternative methods of providing program services or
239 products.

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

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

244 7. Compliance of the program with appropriate policies,
245 rules, or laws.

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

248 (k)~~(i)~~ "Political subdivision" means a separate agency or
249 unit of local government created or established by law and
250 includes, but is not limited to, the following and the officers

251 thereof: authority, board, branch, bureau, city, commission,
252 consolidated government, county, department, district,
253 institution, metropolitan government, municipality, office,
254 officer, public corporation, town, or village.

255 (1)~~(j)~~ "State agency" means a separate agency or unit of
256 state government created or established by law and includes, but
257 is not limited to, the following and the officers thereof:
258 authority, board, branch, bureau, commission, department,
259 division, institution, office, officer, or public corporation,
260 as the case may be, except any such agency or unit within the
261 legislative branch of state government other than the Florida
262 Public Service Commission.

263 (m) "Waste" means the act of using or expending resources
264 unreasonably, carelessly, extravagantly, or for no useful
265 purpose.

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

267 (j) Conduct audits of local governmental entities when
268 determined to be necessary by the Auditor General, when directed
269 by the Legislative Auditing Committee, or when otherwise
270 required by law. No later than 18 months after the release of
271 the audit report, the Auditor General shall perform such
272 appropriate followup procedures as he or she deems necessary to
273 determine the audited entity's progress in addressing the
274 findings and recommendations contained within the Auditor
275 General's previous report. The Auditor General shall notify each

276 member of the audited entity's governing body and the
 277 Legislative Auditing Committee of the results of his or her
 278 determination. For purposes of this paragraph, local
 279 governmental entities do not include water management districts.
 280

281 The Auditor General shall perform his or her duties
 282 independently but under the general policies established by the
 283 Legislative Auditing Committee. This subsection does not limit
 284 the Auditor General's discretionary authority to conduct other
 285 audits or engagements of governmental entities as authorized in
 286 subsection (3).

287 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The
 288 Auditor General may, pursuant to his or her own authority, or at
 289 the direction of the Legislative Auditing Committee, conduct
 290 audits or other engagements as determined appropriate by the
 291 Auditor General of:

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

293 (x) Tourist development councils and county tourism
 294 promotion agencies.

295 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

296 (i) The Auditor General shall annually transmit by July
 297 15, to the President of the Senate, the Speaker of the House of
 298 Representatives, and the Department of Financial Services, a
 299 list of all school districts, charter schools, charter technical
 300 career centers, Florida College System institutions, state

301 universities, and local governmental entities ~~water management~~
302 ~~districts~~ that have failed to comply with the transparency
303 requirements as identified in the audit reports reviewed
304 pursuant to paragraph (b) and those conducted pursuant to
305 subsection (2).

306 Section 3. Paragraph (d) of subsection (2) of section
307 28.35, Florida Statutes, is amended to read:

308 28.35 Florida Clerks of Court Operations Corporation.—

309 (2) The duties of the corporation shall include the
310 following:

311 (d) Developing and certifying a uniform system of workload
312 measures and applicable workload standards for court-related
313 functions as developed by the corporation and clerk workload
314 performance in meeting the workload performance standards. These
315 workload measures and workload performance standards shall be
316 designed to facilitate an objective determination of the
317 performance of each clerk in accordance with minimum standards
318 for fiscal management, operational efficiency, and effective
319 collection of fines, fees, service charges, and court costs. The
320 corporation shall develop the workload measures and workload
321 performance standards in consultation with the Legislature. When
322 the corporation finds a clerk has not met the workload
323 performance standards, the corporation shall identify the nature
324 of each deficiency and any corrective action recommended and
325 taken by the affected clerk of the court. For quarterly periods

326 ending on the last day of March, June, September, and December
327 of each year, the corporation shall notify the Legislature of
328 any clerk not meeting workload performance standards and provide
329 a copy of any corrective action plans. Such notifications shall
330 be submitted no later than 45 days after the end of the
331 preceding quarterly period. As used in this subsection, the
332 term:

333 1. "Workload measures" means the measurement of the
334 activities and frequency of the work required for the clerk to
335 adequately perform the court-related duties of the office as
336 defined by the membership of the Florida Clerks of Court
337 Operations Corporation.

338 2. "Workload performance standards" means the standards
339 developed to measure the timeliness and effectiveness of the
340 activities that are accomplished by the clerk in the performance
341 of the court-related duties of the office as defined by the
342 membership of the Florida Clerks of Court Operations
343 Corporation.

344 Section 4. Subsections (6) and (7) of section 43.16,
345 Florida Statutes, are renumbered as subsections (7) and (8),
346 respectively, and a new subsection (6) is added to that section
347 to read:

348 43.16 Justice Administrative Commission; membership,
349 powers and duties.—

350 (6) The commission, each state attorney, each public

351 defender, the criminal conflict and civil regional counsel, the
352 capital collateral regional counsel, and the Guardian Ad Litem
353 Program shall establish and maintain internal controls designed
354 to:

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

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

359 (c) Support economical and efficient operations.

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

361 (e) Safeguard assets.

362 Section 5. Subsection (6) of section 112.061, Florida
363 Statutes, is amended, and subsection (16) is added to that
364 section, to read:

365 112.061 Per diem and travel expenses of public officers,
366 employees, and authorized persons.—

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

370 (a) All travelers shall be allowed for subsistence when
371 traveling to a convention or conference or when traveling within
372 or outside the state in order to conduct bona fide state
373 business, which convention, conference, or business serves a
374 direct and lawful public purpose with relation to the public
375 agency served by the person attending such meeting or conducting

376 such business, either of the following for each day of such
 377 travel at the option of the traveler:

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

383
 384 When lodging or meals are provided at a state institution, the
 385 traveler shall be reimbursed only for the actual expenses of
 386 such lodging or meals, not to exceed the maximum provided for in
 387 this subsection.

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

- 391 1. Breakfast.....\$6
- 392 2. Lunch.....\$11
- 393 3. Dinner.....\$19

394 (c) Actual expenses for lodging associated with the
 395 attendance of an employee of a state agency or the judicial
 396 branch at a meeting, conference, or convention organized or
 397 sponsored in whole or in part by a state agency or the judicial
 398 branch may not exceed \$150 per day. However, an employee may
 399 expend his or her own funds for any lodging expenses that exceed
 400 \$150 per day.

401 (d)-(e) No one, whether traveling out of state or in state,
 402 shall be reimbursed for any meal or lodging included in a
 403 convention or conference registration fee paid by the state.

404 (16) STATEWIDE TRAVEL MANAGEMENT SYSTEM.-

405 (a) For purposes of this subsection, "statewide travel
 406 management system" means the system acquired by the Executive
 407 Office of the Governor to:

408 1. Standardize and automate agency travel management;

409 2. Allow for travel planning and approval, expense
 410 reporting, and reimbursement; and

411 3. Allow a person to query travel information by public
 412 employee or officer name and position title, purpose of travel,
 413 dates and location of travel, mode of travel, confirmation of
 414 agency head or designee authorization if required, and total
 415 travel cost.

416 (b) All agencies and the judicial branch must report
 417 public officer and employee travel information in the statewide
 418 travel management system, including, but not limited to, officer
 419 or employee name and position title, purpose of travel, dates
 420 and location of travel, mode of travel, confirmation of agency
 421 head or designee authorization if required, and total travel
 422 cost. At a minimum, such information must be reported in the
 423 statewide travel management system on a monthly basis.

424 (c) All executive branch state agencies and the judicial
 425 branch must use the statewide travel management system for

426 purposes of travel authorization and reimbursement.

427 Section 6. Paragraph (c) of subsection (3) of section
428 129.03, Florida Statutes, is amended to read:

429 129.03 Preparation and adoption of budget.—

430 (3) The county budget officer, after tentatively
431 ascertaining the proposed fiscal policies of the board for the
432 next fiscal year, shall prepare and present to the board a
433 tentative budget for the next fiscal year for each of the funds
434 provided in this chapter, including all estimated receipts,
435 taxes to be levied, and balances expected to be brought forward
436 and all estimated expenditures, reserves, and balances to be
437 carried over at the end of the year.

438 (c) The board shall hold public hearings to adopt
439 tentative and final budgets pursuant to s. 200.065. The hearings
440 shall be primarily for the purpose of hearing requests and
441 complaints from the public regarding the budgets and the
442 proposed tax levies and for explaining the budget and any
443 proposed or adopted amendments. The tentative budget must be
444 posted on the county's official website at least 2 days before
445 the public hearing to consider such budget and must remain on
446 the website for at least 45 days. The final budget must be
447 posted on the website within 30 days after adoption and must
448 remain on the website for at least 2 years. The tentative
449 budgets, adopted tentative budgets, and final budgets shall be
450 filed in the office of the county auditor as a public record.

451 Sufficient reference in words and figures to identify the
452 particular transactions must ~~shall~~ be made in the minutes of the
453 board to record its actions with reference to the budgets.

454 Section 7. Paragraph (f) of subsection (2) of section
455 129.06, Florida Statutes, is amended to read:

456 129.06 Execution and amendment of budget.—

457 (2) The board at any time within a fiscal year may amend a
458 budget for that year, and may within the first 60 days of a
459 fiscal year amend the budget for the prior fiscal year, as
460 follows:

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

466 1. The public hearing must be advertised at least 2 days,
467 but not more than 5 days, before the date of the hearing. The
468 advertisement must appear in a newspaper of paid general
469 circulation and must identify the name of the taxing authority,
470 the date, place, and time of the hearing, and the purpose of the
471 hearing. The advertisement must also identify each budgetary
472 fund to be amended, the source of the funds, the use of the
473 funds, and the total amount of each fund's appropriations.

474 2. If the board amends the budget pursuant to this
475 paragraph, the adopted amendment must be posted on the county's

476 | official website within 5 days after adoption and must remain on
477 | the website for at least 2 years.

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

480 | 166.241 Fiscal years, budgets, and budget amendments.—

481 | (3) The tentative budget must be posted on the
482 | municipality's official website at least 2 days before the
483 | budget hearing, held pursuant to s. 200.065 or other law, to
484 | consider such budget and must remain on the website for at least
485 | 45 days. The final adopted budget must be posted on the
486 | municipality's official website within 30 days after adoption
487 | and must remain on the website for at least 2 years. If the
488 | municipality does not operate an official website, the
489 | municipality must, within a reasonable period of time as
490 | established by the county or counties in which the municipality
491 | is located, transmit the tentative budget and final budget to
492 | the manager or administrator of such county or counties who
493 | shall post the budgets on the county's website.

494 | (5) If the governing body of a municipality amends the
495 | budget pursuant to paragraph (4)(c), the adopted amendment must
496 | be posted on the official website of the municipality within 5
497 | days after adoption and must remain on the website for at least
498 | 2 years. If the municipality does not operate an official
499 | website, the municipality must, within a reasonable period of
500 | time as established by the county or counties in which the

501 municipality is located, transmit the adopted amendment to the
 502 manager or administrator of such county or counties who shall
 503 post the adopted amendment on the county's website.

504 Section 9. Section 215.86, Florida Statutes, is amended to
 505 read:

506 215.86 Management systems and controls.—Each state agency
 507 and the judicial branch as defined in s. 216.011 shall establish
 508 and maintain management systems and internal controls designed
 509 to:

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

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

514 (3) Support economical and ~~economic,~~ efficient, and
 515 effective operations.†

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

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

520 Section 10. Paragraph (a) of subsection (2) of section
 521 215.97, Florida Statutes, is amended to read:

522 215.97 Florida Single Audit Act.—

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

524 (a) "Audit threshold" means the threshold amount used to
 525 determine when a state single audit or project-specific audit of

526 a nonstate entity shall be conducted in accordance with this
 527 section. Each nonstate entity that expends a total amount of
 528 state financial assistance equal to or in excess of \$750,000 in
 529 any fiscal year of such nonstate entity shall be required to
 530 have a state single audit~~,~~ or a project-specific audit~~,~~ for such
 531 fiscal year in accordance with the requirements of this section.
 532 ~~Every 2 years the Auditor General,~~ After consulting with the
 533 Executive Office of the Governor, the Department of Financial
 534 Services, and all state awarding agencies, the Auditor General
 535 shall periodically review the threshold amount for requiring
 536 audits under this section and may recommend any appropriate
 537 statutory change to revise the threshold amount in the annual
 538 report submitted pursuant to s. 11.45(7)(h) to the Legislature
 539 ~~adjust such threshold amount consistent with the purposes of~~
 540 ~~this section.~~

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

543 215.985 Transparency in government spending.—

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

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

551 218.32 Annual financial reports; local governmental
552 entities.—

553 (1)

554 (d) Each local governmental entity that is required to
555 provide for an audit under s. 218.39(1) must submit a copy of
556 the audit report and annual financial report to the department
557 within 45 days after the completion of the audit report but no
558 later than 9 months after the end of the fiscal year. In
559 conducting an audit of a local governmental entity pursuant to
560 s. 218.39, an independent certified public accountant shall
561 determine whether the entity's annual financial report is in
562 agreement with the audited financial statements. If the audited
563 financial statements are not in agreement with the annual
564 financial report, the accountant shall specify and explain the
565 significant differences that exist between the audited financial
566 statements and the annual financial report.

567 (2) The department shall annually by December 1 file a
568 verified report with the Governor, the Legislature, the Auditor
569 General, and the Special District Accountability Program of the
570 Department of Economic Opportunity showing the revenues, both
571 locally derived and derived from intergovernmental transfers,
572 and the expenditures of each local governmental entity, regional
573 planning council, local government finance commission, and
574 municipal power corporation that is required to submit an annual
575 financial report. In preparing the verified report, the

576 department may request additional information from the local
577 governmental entity. The information requested must be provided
578 to the department within 45 days after the request. If the local
579 governmental entity does not comply with the request, the
580 department shall notify the Legislative Auditing Committee,
581 which may take action pursuant to s. 11.40(2). The report must
582 include, but is not limited to:

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

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

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

594 218.33 Local governmental entities; establishment of
595 uniform fiscal years and accounting practices and procedures.—

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

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

600 (b) Promote and encourage compliance with applicable laws,

601 rules, contracts, grant agreements, and best practices.

602 (c) Support economical and efficient operations.

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

604 (e) Safeguard assets.

605 Section 14. Subsections (8) through (12) of section
606 218.39, Florida Statutes, are renumbered as subsections (9)
607 through (13), respectively, and a new subsection (8) is added to
608 that section to read:

609 218.39 Annual financial audit reports.—

610 (8) If the audit report includes a recommendation that was
611 included in the preceding financial audit report but remains
612 unaddressed, the governing body of the audited entity, within 60
613 days after the delivery of the audit report to the governing
614 body, shall indicate during a regularly scheduled public meeting
615 whether it intends to take corrective action, the intended
616 corrective action, and the timeframe for the corrective action.
617 If the governing body indicates that it does not intend to take
618 corrective action, it must explain its decision at the public
619 meeting.

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

622 218.391 Auditor selection procedures.—

623 (2) The governing body of a ~~charter~~ county, municipality,
624 special district, district school board, charter school, or
625 charter technical career center shall establish an audit

626 | committee.

627 | (a) The audit committee for a county ~~Each noncharter~~
628 | ~~county shall establish an audit committee that,~~ at a minimum,
629 | shall consist of each of the county officers elected pursuant to
630 | the county charter or s. 1(d), Art. VIII of the State
631 | Constitution, ~~or~~ their respective designees ~~a designee,~~ and one
632 | member of the board of county commissioners or its designee.

633 | (b) The audit committee for a municipality, special
634 | district, district school board, charter school, or charter
635 | technical career center shall consist of at least three members.
636 | One member of the audit committee must be a member of the
637 | governing body of an entity specified in this paragraph, who
638 | shall also serve as the chair of the committee.

639 | (c) An employee, chief executive officer, or chief
640 | financial officer of the county, municipality, special district,
641 | district school board, charter school, or charter technical
642 | career center may not serve as a member of an audit committee
643 | established under this subsection.

644 | (d) The primary purpose of the audit committee is to
645 | assist the governing body in selecting an auditor to conduct the
646 | annual financial audit required in s. 218.39; however, the audit
647 | committee may serve other audit oversight purposes as determined
648 | by the entity's governing body. The public may ~~shall~~ not be
649 | excluded from the proceedings under this section.

650 | Section 16. Subsection (2) of section 286.0114, Florida

651 Statutes, is amended to read:

652 286.0114 Public meetings; reasonable opportunity to be
653 heard; attorney fees.—

654 (2) Members of the public shall be given a reasonable
655 opportunity to be heard on a proposition before a board or
656 commission. The opportunity to be heard need not occur at the
657 same meeting at which the board or commission takes official
658 action on the proposition if the opportunity occurs at a meeting
659 that is during the decisionmaking process and is within
660 reasonable proximity in time before the meeting at which the
661 board or commission takes the official action. A board or
662 commission may not require a member of the public to provide an
663 advance written copy of his or her testimony or comments as a
664 condition of being given the opportunity to be heard at a
665 meeting. This section does not prohibit a board or commission
666 from maintaining orderly conduct or proper decorum in a public
667 meeting. The opportunity to be heard is subject to rules or
668 policies adopted by the board or commission, as provided in
669 subsection (4).

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

673 373.536 District budget and hearing thereon.—

674 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

675 (e) ~~By September 1, 2012,~~ Each district shall provide a

676 monthly financial statement in the form and manner prescribed by
677 the Department of Financial Services to the district's governing
678 board and make such monthly financial statement available for
679 public access on its website.

680 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
681 APPROVAL.—

682 (d) Each district shall, by August 1 of each year, submit
683 for review a tentative budget and a description of any
684 significant changes from the preliminary budget submitted to the
685 Legislature pursuant to s. 373.535 to the Governor, the
686 President of the Senate, the Speaker of the House of
687 Representatives, the chairs of all legislative committees and
688 subcommittees having substantive or fiscal jurisdiction over
689 water management districts, as determined by the President of
690 the Senate or the Speaker of the House of Representatives, as
691 applicable, the secretary of the department, and the governing
692 body of each county in which the district has jurisdiction or
693 derives any funds for the operations of the district. The
694 tentative budget must be posted on the district's official
695 website at least 2 days before budget hearings held pursuant to
696 s. 200.065 or other law and must remain on the website for at
697 least 45 days.

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

700 (d) The final adopted budget must be posted on the water

701 management district's official website within 30 days after
 702 adoption and must remain on the website for at least 2 years.

703 Section 18. Paragraph (1) of subsection (12) of section
 704 1001.42, Florida Statutes, is amended to read:

705 1001.42 Powers and duties of district school board.—The
 706 district school board, acting as a board, shall exercise all
 707 powers and perform all duties listed below:

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

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

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

717 2. Compliance with applicable laws, rules, contracts,
 718 grant agreements, district school board-approved policies, and
 719 best practices.

720 3. The efficiency of operations.

721 4. The reliability of financial records and reports.

722 5. The safeguarding of assets.

723
 724 The internal auditor shall report directly to the district
 725 school board or its designee.

726 Section 19. Paragraph (j) of subsection (9) of section
 727 1002.33, Florida Statutes, is amended to read:

728 1002.33 Charter schools.—

729 (9) CHARTER SCHOOL REQUIREMENTS.—

730 (j) The governing body of the charter school shall be
 731 responsible for:

732 1. Establishing and maintaining internal controls designed
 733 to:

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

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

738 c. Support economical and efficient operations.

739 d. Ensure reliability of financial records and reports.

740 e. Safeguard assets.

741 ~~2.1.~~ Ensuring that the charter school has retained the
 742 services of a certified public accountant or auditor for the
 743 annual financial audit, pursuant to s. 1002.345(2), who shall
 744 submit the report to the governing body.

745 ~~3.2.~~ Reviewing and approving the audit report, including
 746 audit findings and recommendations for the financial recovery
 747 plan.

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

750 b. Monitoring a financial recovery plan in order to ensure

751 compliance.

752 ~~5.4-~~ Participating in governance training approved by the
753 department which must include government in the sunshine,
754 conflicts of interest, ethics, and financial responsibility.

755 Section 20. Subsections (6) through (10) of section
756 1002.37, Florida Statutes, are renumbered as subsections (7)
757 through (11), respectively, a new subsection (6) is added to
758 that section, and present subsections (6) and (11) of that
759 section are amended, to read:

760 1002.37 The Florida Virtual School.—

761 (6) The Florida Virtual School shall have an annual
762 financial audit of its accounts and records conducted by an
763 independent auditor who is a certified public accountant
764 licensed under chapter 473. The independent auditor shall
765 conduct the audit in accordance with rules adopted by the
766 Auditor General pursuant to s. 11.45 and, upon completion of the
767 audit, shall prepare an audit report in accordance with such
768 rules. The audit report must include a written statement by the
769 board of trustees describing corrective action to be taken in
770 response to each of the recommendations of the independent
771 auditor included in the audit report. The independent auditor
772 shall submit the audit report to the board of trustees and the
773 Auditor General no later than 9 months after the end of the
774 preceding fiscal year.

775 ~~(7)-(6)~~ The board of trustees shall annually submit to the

776 Governor, the Legislature, the Commissioner of Education, and
777 the State Board of Education the audit report prepared pursuant
778 to subsection (6) and a complete and detailed report setting
779 forth:

780 (a) The operations and accomplishments of the Florida
781 Virtual School within the state and those occurring outside the
782 state as Florida Virtual School Global.

783 (b) The marketing and operational plan for the Florida
784 Virtual School and Florida Virtual School Global, including
785 recommendations regarding methods for improving the delivery of
786 education through the Internet and other distance learning
787 technology.

788 (c) The assets and liabilities of the Florida Virtual
789 School and Florida Virtual School Global at the end of the
790 fiscal year.

791 ~~(d) A copy of an annual financial audit of the accounts~~
792 ~~and records of the Florida Virtual School and Florida Virtual~~
793 ~~School Global, conducted by an independent certified public~~
794 ~~accountant and performed in accordance with rules adopted by the~~
795 ~~Auditor General.~~

796 (d)~~(e)~~ Recommendations regarding the unit cost of
797 providing services to students through the Florida Virtual
798 School and Florida Virtual School Global. In order to most
799 effectively develop public policy regarding any future funding
800 of the Florida Virtual School, it is imperative that the cost of

801 the program is accurately identified. The identified cost of the
802 program must be based on reliable data.

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

806 ~~(11) The Auditor General shall conduct an operational
807 audit of the Florida Virtual School, including Florida Virtual
808 School Global. The scope of the audit shall include, but not be
809 limited to, the administration of responsibilities relating to
810 personnel; procurement and contracting; revenue production;
811 school funds, including internal funds; student enrollment
812 records; franchise agreements; information technology
813 utilization, assets, and security; performance measures and
814 standards; and accountability. The final report on the audit
815 shall be submitted to the President of the Senate and the
816 Speaker of the House of Representatives no later than January
817 31, 2014.~~

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

820 1010.01 Uniform records and accounts.—

821 (5) Each school district, Florida College System
822 institution, and state university shall establish and maintain
823 internal controls designed to:

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

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

828 (c) Support economical and efficient operations.

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

830 (e) Safeguard assets.

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

833 1010.30 Audits required.—

834 (2) If a school district, Florida College System
 835 institution, or university audit report includes a
 836 recommendation that was included in the preceding financial
 837 audit report but remains unaddressed ~~an audit contains a~~
 838 ~~significant finding~~, the district school board, the Florida
 839 College System institution board of trustees, or the university
 840 board of trustees, within 60 days after the delivery of the
 841 audit report to the school district, Florida College System
 842 institution, or university, shall indicate ~~conduct an audit~~
 843 ~~overview~~ during a regularly scheduled public meeting whether it
 844 intends to take corrective action, the intended corrective
 845 action, and the timeframe for the corrective action. If the
 846 district school board, Florida College System institution board
 847 of trustees, or university board of trustees indicates that it
 848 does not intend to take corrective action, it shall explain its
 849 decision at the public meeting.

850 Section 23. Subsection (3) of section 218.503, Florida

851 Statutes, is amended to read:

852 218.503 Determination of financial emergency.—

853 (3) Upon notification that one or more of the conditions
 854 in subsection (1) have occurred or will occur if action is not
 855 taken to assist the local governmental entity or district school
 856 board, the Governor or his or her designee shall contact the
 857 local governmental entity or the Commissioner of Education or
 858 his or her designee shall contact the district school board, as
 859 appropriate, to determine what actions have been taken by the
 860 local governmental entity or the district school board to
 861 resolve or prevent the condition. The information requested must
 862 be provided within 45 days after the date of the request. If the
 863 local governmental entity or the district school board does not
 864 comply with the request, the Governor or his or her designee or
 865 the Commissioner of Education or his or her designee shall
 866 notify ~~the members of~~ the Legislative Auditing Committee, which
 867 ~~who~~ may take action pursuant to s. 11.40(2) ~~11.40~~. The Governor
 868 or the Commissioner of Education, as appropriate, shall
 869 determine whether the local governmental entity or the district
 870 school board needs state assistance to resolve or prevent the
 871 condition. If state assistance is needed, the local governmental
 872 entity or district school board is considered to be in a state
 873 of financial emergency. The Governor or the Commissioner of
 874 Education, as appropriate, has the authority to implement
 875 measures as set forth in ss. 218.50-218.504 to assist the local

876 governmental entity or district school board in resolving the
877 financial emergency. Such measures may include, but are not
878 limited to:

879 (a) Requiring approval of the local governmental entity's
880 budget by the Governor or approval of the district school
881 board's budget by the Commissioner of Education.

882 (b) Authorizing a state loan to a local governmental
883 entity and providing for repayment of same.

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

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

892 (e) Consulting with officials and auditors of the local
893 governmental entity or the district school board and the
894 appropriate state officials regarding any steps necessary to
895 bring the books of account, accounting systems, financial
896 procedures, and reports into compliance with state requirements.

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

899 (g)1. Establishing a financial emergency board to oversee
900 the activities of the local governmental entity or the district

901 school board. If a financial emergency board is established for
902 a local governmental entity, the Governor shall appoint board
903 members and select a chair. If a financial emergency board is
904 established for a district school board, the State Board of
905 Education shall appoint board members and select a chair. The
906 financial emergency board shall adopt such rules as are
907 necessary for conducting board business. The board may:

908 a. Make such reviews of records, reports, and assets of
909 the local governmental entity or the district school board as
910 are needed.

911 b. Consult with officials and auditors of the local
912 governmental entity or the district school board and the
913 appropriate state officials regarding any steps necessary to
914 bring the books of account, accounting systems, financial
915 procedures, and reports of the local governmental entity or the
916 district school board into compliance with state requirements.

917 c. Review the operations, management, efficiency,
918 productivity, and financing of functions and operations of the
919 local governmental entity or the district school board.

920 d. Consult with other governmental entities for the
921 consolidation of all administrative direction and support
922 services, including, but not limited to, services for asset
923 sales, economic and community development, building inspections,
924 parks and recreation, facilities management, engineering and
925 construction, insurance coverage, risk management, planning and

926 zoning, information systems, fleet management, and purchasing.

927 2. The recommendations and reports made by the financial
 928 emergency board must be submitted to the Governor for local
 929 governmental entities or to the Commissioner of Education and
 930 the State Board of Education for district school boards for
 931 appropriate action.

932 (h) Requiring and approving a plan, to be prepared by
 933 officials of the local governmental entity or the district
 934 school board in consultation with the appropriate state
 935 officials, prescribing actions that will cause the local
 936 governmental entity or district school board to no longer be
 937 subject to this section. The plan must include, but need not be
 938 limited to:

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

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

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

946 4. Provisions implementing the consolidation, sourcing, or
 947 discontinuance of all administrative direction and support
 948 services, including, but not limited to, services for asset
 949 sales, economic and community development, building inspections,
 950 parks and recreation, facilities management, engineering and

951 construction, insurance coverage, risk management, planning and
952 zoning, information systems, fleet management, and purchasing.

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

955 1002.455 Student eligibility for K-12 virtual
956 instruction.—

957 (2) A student is eligible to participate in virtual
958 instruction if:

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

963 (b) The student is a dependent child of a member of the
964 United States Armed Forces who was transferred within the last
965 12 months to this state from another state or from a foreign
966 country pursuant to a permanent change of station order;

967 (c) The student was enrolled during the prior school year
968 in a virtual instruction program under s. 1002.45 or a full-time
969 Florida Virtual School program under s. 1002.37(9)(a)
970 ~~1002.37(8)(a)~~;

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

974 (e) The student is eligible to enter kindergarten or first
975 grade; or

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

980 Section 25. The Legislature finds that a proper and
981 legitimate state purpose is served when internal controls are
982 established to prevent and detect fraud, waste, and abuse and to
983 safeguard and account for government funds and property.
984 Therefore, the Legislature determines and declares that this act
985 fulfills an important state interest.

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