

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1215 Inspectors General  
**SPONSOR(S):** Richardson  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1590

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Oversight, Transparency & Administration Subcommittee	9 Y, 0 N	Moore	Harrington
2) Appropriations Committee			
3) Public Integrity & Ethics Committee			

### SUMMARY ANALYSIS

An Office of Inspector General (OIG) is established in each state agency to provide a central point for the coordination and responsibility for activities that promote accountability, integrity, and efficiency in government. Inspectors general under the jurisdiction of the Cabinet or the Governor and Cabinet are appointed by the agency head, and inspectors general under the jurisdiction of the Governor are appointed by the Chief Inspector General (CIG). The Office of the CIG is established within the Executive Office of the Governor (EOG), and the CIG provides oversight and monitors the activities of the agency inspectors general under the Governor's jurisdiction. The CIG is appointed by and serves at the pleasure of the Governor.

The bill specifies that the Office of the CIG is housed within the EOG for administrative purposes only. It provides that the office is a separate budget entity not subject to the control, supervision, or direction of the EOG in any manner, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters.

The bill requires the CIG to be confirmed by the Senate and repeals the provision specifying that the CIG serves at the pleasure of the Governor. Instead, the bill provides that the CIG may only be removed from office by the Governor for cause, including concerns regarding performance, malfeasance, misfeasance, misconduct, or failure to carry out his or her duties. The bill prohibits the Governor from removing the CIG from office for reasons related to the subject of, the scope of, or any conclusions or recommendations made from any audit or investigation undertaken. The bill also specifies that a CIG may not serve for more than 10 years.

The bill specifies that an OIG established within a state agency is a separate budget entity not subject to budgetary control by the state agency, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters.

The bill may have an insignificant fiscal impact on state government and should have no impact on local governments. See Fiscal Comments.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Background**

##### Inspectors General

Authorized under s. 20.055, F.S., an Office of Inspector General (OIG) is established in each state agency<sup>1</sup> to provide a central point for the coordination and responsibility for activities that promote accountability, integrity, and efficiency in government. Section 14.32, F.S., creates the Office of the Chief Inspector General (CIG) within the Executive Office of the Governor (EOG). The CIG is appointed by and serves at the pleasure of the Governor. The CIG is responsible for monitoring the activities of the agency inspectors general under the Governor's jurisdiction and is required to do the following:

- Initiate, supervise, and coordinate investigations, recommend policies, and carry out other activities designed to deter, detect, prevent, and eradicate fraud, waste, abuse, mismanagement, and misconduct in government;
- Investigate, upon receipt of a complaint or for cause, any administrative action of any agency the administration of which is under the direct supervision of the Governor;
- Request such assistance and information as may be necessary for the performance of the CIG's duties;
- Examine the records and reports of any agency the administration of which is under the direct supervision of the Governor;
- Coordinate complaint-handling activities with agencies;
- Coordinate the activities of the Whistle-blower's Act and maintain the whistle-blower's hotline to receive complaints and information concerning the possible violation of law or administrative rules, mismanagement, fraud, waste, abuse of authority, malfeasance, or a substantial or specific danger to the health, welfare, or safety of the public;
- Report expeditiously to and cooperate fully with the Department of Law Enforcement, the Department of Legal Affairs, and other law enforcement agencies when there are recognizable grounds to believe that there has been a violation of criminal law or that a civil action should be initiated;
- Act as liaison with outside agencies and the federal government to promote accountability, integrity, and efficiency in state government;
- Act as liaison and monitor the activities of the inspectors general in the agencies under the Governor's jurisdiction;
- Review, evaluate, and monitor the policies, practices, and operations of the Executive Office of the Governor; and
- Conduct special investigations and management reviews at the request of the Governor.<sup>2</sup>

Each agency OIG is responsible for the following:

- Advising in the development of performance measures, standards, and procedures for the evaluation of state agency programs;
- Assessing the reliability and validity of information provided by the agency on performance measures and standards;
- Reviewing the actions taken by the agency to improve agency performance, and making recommendations, if necessary;

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<sup>1</sup> Section 20.055(1)(d), F.S., defines the term "state agency" to mean each department created pursuant to chapter 20, F.S., and also includes the Executive Office of the Governor, the Department of Military Affairs, the Fish and Wildlife Conservation Commission, the Office of Insurance Regulation of the Financial Services Commission, the Office of Financial Regulation of the Financial Services Commission, the Public Service Commission, the Board of Governors of the State University System, the Florida Housing Finance Corporation, the Agency for State Technology, the Office of Early Learning, and the state courts system.

<sup>2</sup> Section 14.32(2), F.S.

- Supervising and coordinating audits, investigations, and reviews relating to the programs and operations of the state agency;
- Conducting, supervising, or coordinating other activities carried out or financed by the agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;
- Providing central coordination of efforts to identify and remedy waste, abuse, and deficiencies to the agency head,<sup>3</sup> or the CIG for agencies under the jurisdiction of the Governor; recommending corrective action concerning fraud, abuses, and deficiencies; and reporting on the progress made in implementing corrective action;
- Coordinating agency-specific audit activities between the Auditor General, federal auditors, and other governmental bodies to avoid duplication;
- Reviewing rules relating to the programs and operations of the agency and making recommendations concerning their impact;
- Ensuring that an appropriate balance is maintained between audit, investigative, and other accountability activities; and
- Complying with the General Principles and Standards for Offices of Inspector General as published and revised by the Association of Inspectors General.<sup>4</sup>

For state agencies under the jurisdiction of the Governor, the inspector general must be appointed by the CIG. For state agencies under the jurisdiction of the Cabinet or the Governor and Cabinet, each agency head must appoint an inspector general.<sup>5</sup>

### **Effect of the Bill**

The bill specifies that the Office of the CIG is housed within the EOG for administrative purposes only. It provides that the office is a separate budget entity not subject to the control, supervision, or direction of the EOG in any manner, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters.

The bill requires the CIG to be confirmed by the Senate and repeals the provision specifying that the CIG serves at the pleasure of the Governor. Instead, the bill provides that the CIG may only be removed from office by the Governor for cause, including concerns regarding performance, malfeasance, misfeasance, misconduct, or failure to carry out his or her duties. The bill prohibits the Governor from removing the CIG from office for reasons related to the subject of, the scope of, or any conclusions or recommendations made from any audit or investigation undertaken. The bill also specifies that a CIG may not serve for more than 10 years.

The bill specifies that an OIG established within a state agency is a separate budget entity not subject to budgetary control by the state agency, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters.

### **B. SECTION DIRECTORY:**

Section 1. amends s. 14.32, F.S., relating to the Office of the CIG.

Section 2. amends s. 20.055, F.S., relating to agency inspectors general.

Section 3. provides an effective date of July 1, 2018.

<sup>3</sup> Section 20.055(1)(a), F.S., defines the term “agency head” to mean the Governor, a Cabinet officer, a secretary as defined in s. 20.03(5), F.S., or an executive director as defined in s. 20.03(6), F.S. It also includes the chair of the Public Service Commission, the Director of the Office of Insurance Regulation of the Financial Services Commission, the Director of the Office of Financial Regulation of the Financial Services Commission, the board of directors of the Florida Housing Finance Corporation, the executive director of the Office of Early Learning, and the Chief Justice of the State Supreme Court.

<sup>4</sup> Section 20.055(2), F.S.

<sup>5</sup> Section 20.055(3)(a)1., F.S.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

The bill does not appear to impact state government revenues.

#### 2. Expenditures:

See Fiscal Comments.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

The bill does not appear to impact local government revenues.

#### 2. Expenditures:

The bill does not appear to impact local government expenditures.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

### D. FISCAL COMMENTS:

The bill specifies that the Office of the CIG and an OIG within a state agency is a separate budget entity and is not subject to budgetary control by the EOG or state agency. As such, the bill may have an insignificant fiscal impact on state government expenditures associated with administrative costs for each new budget entity.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

#### 1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to affect county or municipal governments.

#### 2. Other:

None.

### B. RULE-MAKING AUTHORITY:

The bill does not appear to create a need for rulemaking or rulemaking authority.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

## IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.