

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2022

SPONSOR: Senator Sanderson

SUBJECT: Legislative Oversight of Government Programs

DATE: April 12, 2001 REVISED: 04/17/01 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wilson</u>	<u>Wilson</u>	<u>GO</u>	<u>Fav/5 amendments</u>
2.	_____	_____	<u>RC</u>	_____
3.	_____	_____	<u>AED</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill revises the location of the powers and duties of the Auditor General of the State of Florida and apportions the appropriate responsibilities for financial audits and performance accountability between that office and the Legislature’s separate Office of Program Policy Analysis and Government Accountability (OPPAGA).

This bill substantially amends the following sections of the Florida Statutes: ss. 11.40, 11.42, 11.45, 11.47, 11.51, 11.511, 11.513, 14.29, 20.2551, 288.1226, 320.08058, 943.2569, 20.055, 20.23, 24.105, 39.202, 119.07, 195.084, 213.053, 944.719, 948.15, 24.120, 27.3455, 30.51, 116.07, 122.03, 122.08, 145.022, 145.14, 154.331, 206.60, 212.08, 290.0056, 403.864, 657.008, 946.31, 110.109, 216.177, 216.178, 216.292, 334.0445, 985.311, 112.313, 112.324, 112.63, 175.261, 185.221, 189.4035, 189.412, 189.418, 189.419, 215.94, 230.23025, 311.07, 125.01, 154.11, 253.025, 259.041, 163.356, 189.428, 193.074, 196.101, 195.096, 228.056, 228.505, 455.32, 471.038, 215.44, 215.86, 229.8021, 237.40, 240.299, 240.2995, 240.331, 240.3315, 240.5285, 240.711, 250.115, 266.0018, 267.17, 288.1229, 288.809, 372.0215, 413.615, 413.87, 446.609, 944.802, 960.002, 985.4145, 218.31, 218.32, 218.33, 218.38, 218.415, 228.093, 230.23, 240.214, 240.311, 240.3631, 240.512, 240.551, 240.609, 288.9517, 296.17, 296.41, 403.1826, 550.125, 601.15, 744.708, 290.015, 320.023, 320.08062, 322.081, 339.406, 365.171, 373.45926, 373.507, 402.73, 411.01, 413.88, 403.8532, 411.221, 570.903, 616.263, 943.25, 944.512, 957.07, 957.11, and 985.416.

This bill creates the following sections of the Florida Statutes: ss. 215.86, 215.98, 218.39, and 218.391.

This bill repeals the following sections of the Florida Statutes: ss. 11.149, 11.46, 215.56005(2)(1), 216.2815, 228.053(11), 228.082(6), 253.037(3), 288.906(2), 288.9616, 298.65,

348.69, 374.987(3), 380.510(8), 400.335, 403.1837(14), 440.49(14)(i), 517.1204(14), 218.415(23), 265.607, 331.419(3), 339.413, 373.589, 388.331, 570.912, 581.195, 589.013, and 590.612.

II. Present Situation:

Chapter 11, F.S., describes the organization of the Legislative Branch of state government and apportions them among the respective Senate, House of Representatives, and joint operations. The Auditor General is the state's chief post-audit agency and reports through the Joint Legislative Auditing Committee to the respective presiding officers and membership of the Legislature's two chambers.

This bill represents the Joint Legislative Auditing Committee's efforts at reallocating the powers and duties of the Auditor General and OPPAGA in light of their complementary but distinct roles in the legislative branch of state government.

Various sections of Florida law make specific reference to the roles of both entities. This bill apportions those references to the actual responsibilities of both units.

III. Effect of Proposed Changes:

Section 1 (Pages 11-13). Creates ss. 11.40(3), (4), and (5), F.S., relating to the Legislative Auditing Committee. Authorizes the Legislative Auditing Committee to direct the Auditor General and the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct audits, reviews, and examinations of governmental entities and certain other entities. Authorizes the committee to conduct investigations and exercise the powers of subpoena. Also, authorizes the committee to hold hearings concerning a lack of compliance with financial reporting requirements within ss. 11.45(5)-(7), 218.32(1), or 218.38, F.S.

Section 2 (Pages 13-15). Amends s. 11.42, F.S., relating to the Auditor General. Revises the qualifications for the position of Auditor General.

Transfers the Auditor General's annual report, a list of statutory and fiscal changes recommended by audit reports, to s. 11.45(7)(h), F.S.

Revises the employment restrictions applicable to staff of the Auditor General.

Exempts the Auditor General from ss. 11.25(1) and 11.26, F.S.

Section 3 (Pages 15-46). Significantly amends s. 11.45, F.S., relating to definitions, duties, authorities, reports, and rules of the Auditor General. Reorganizes the entire section.

DEFINITIONS

Provides a definition for the term "audits". Revises the definition for the terms "county agency", "financial audit", and "state agency".

DUTIES

Reorganizes the duties of the Auditor General. Transfers the audits of the Wireless Emergency Telephone System Trust Fund, conducted by the Auditor General, from s. 365.173, F.S. Revises the scope, purpose and goals of the performance audit of the local government financial reporting system conducted biennially by the Auditor General. Restates the requirement of performance audits of the Department of Revenue's administration of the ad valorem tax laws conducted triennially by the Auditor General. Transfers the review of state agency internal audit reports, conducted by the Auditor General, from s. 20.055, F.S. Requires the Auditor General to perform follow-ups eighteen months after the release of his or her audit of a local governmental entity. Transfers the requirement that district school boards not audited by the Auditor General shall contract with an independent certified public accountant for an audit to s. 218.39, F.S. Transfers the authority for a district school board to hire an independent certified public accountant to conduct an audit to s. 230.23, F.S. Transfers the authority for a district school board to hire an internal auditor to s. 230.23, F.S. Transfers the requirement for charter schools to provide for an annual audit to s. 218.39, F.S.

AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS

Transfers the Auditor General's authority to conduct audits of certain entities receiving an appropriation made by the General Appropriations Act from s. 216.2815, F.S. Restates the Auditor General's authority to conduct audits of the Tobacco Settlement Financing Corporation provided in s. 215.56005, F.S. Transfers the Auditor General's authority to conduct audits of the Florida On-line High School from s. 228.082, F.S. Transfers the Auditor General's authority to conduct audits of any purchase of federal surplus lands for use as sites for correctional facilities from s. 253.027, F.S. Transfers the Auditor General's authority to conduct audits of Enterprise Florida from s. 288.906, F.S. Restates the Auditor General's authority to conduct audits of the Florida Development Finance Corporation provided in s. 288.9616, F.S. Transfers the Auditor General's authority to conduct audits of records, pertaining to the use of funds from voluntary contributions on a motor vehicle registration application or on a driver's license application, from ss. 320.023 and 322.081, F.S. Transfers the Auditor General's authority to conduct audits of records, pertaining to the use of funds from the sale of specialty license plates, from s. 320.08062, F.S. Transfers the Auditor General's authority to conduct audits of certain transportation corporations, under contract with the Department of Transportation, from s. 339.413, F.S. Transfers the Auditor General's authority to conduct audits of the acquisitions and divestitures related to the Florida Communities Trust Program from s. 380.510, F.S. Transfers the Auditor General's authority to conduct audits of the Florida Water Pollution Control Financing Corporation from s. 403.1837, F.S. Transfers the Auditor General's authority to conduct audits of the Florida Partnership for School Readiness from s. 411.01, F.S. Transfers the Auditor General's authority to conduct audits of the Occupational Access and Opportunity Commission from s. 413.88, F.S. Transfers the Auditor General's authority to conduct audits of the Florida Special Disability Trust Fund from s. 440.49, F.S. Restates the Auditor General's authority to conduct audits of Workforce Florida, Inc., as provided in s. 445.004, F.S. Transfers the Auditor General's authority to conduct audits of certain corporations, under contract with the Department of Business and Professional Regulation, from s. 455.32, F.S. Transfers the Auditor General's authority to conduct audits of the Florida Engineers Management Corporation from s. 471.038, F.S. Transfers the Auditor General's authority to conduct audits of the Investment

Fraud Restoration Financing Corporation from s. 517.1204, F.S. Restates the Auditor General's authority to conduct audits of permit holders that conduct race meetings or jai alai exhibitions provided in s. 550.125, F.S. Restates the Auditor General's authority to conduct audits of the corporation defined in ch. 946, part II, F.S. Authorizes the Auditor General to promote the building of competent and efficient accounting and internal audit organizations in governmental entities. Authorizes the Auditor General to provide consulting services related to financial and accounting systems.

SCHEDULING AND STAFFING OF AUDITS

Requires the Auditor General to complete financial audits within 9 months following the end of the fiscal year or within the timeline provided by the Legislative Auditing Committee. Authorizes the Auditor General to temporarily or indefinitely postpone certain audits. Authorizes the Auditor General to direct staff to conduct audits that his or her office has the authority to audit. Transfers the public records exemption related to the Auditor General's workpapers from s. 11.45(7)(b), F.S. Transfers the requirement that the Auditor General or his or her staff discuss audit findings with the official whose office is subject to audit from s. 11.45(7)(d), F.S. Transfers the requirement that the audited official submit a written statement of explanation or rebuttal concerning all of the findings from s. 11.45(7)(d), F.S. Transfers the requirement that the Auditor General provide the successor independent certified public accountants of a district school board with access to the prior year's working papers in accordance with professional standards from s. 11.45(3)(a)1., F.S.

PETITION FOR AN AUDIT BY THE AUDITOR GENERAL

Transfers the audit of a municipality conducted by the Auditor General from s. 11.45(3)(b), F.S.

REQUEST BY A LOCAL GOVERNMENTAL ENTITY FOR AN AUDIT BY THE AUDITOR GENERAL

Transfers the request by a local governmental entity for an audit by the Auditor General from s. 11.45(3)(d), F.S.

Transfers the requirement that OPPAGA maintain a schedule of performance audits of state programs to s. 11.51(2), F.S.

Transfers the requirement that district school boards and certain local governmental entities have the accounts and records audited by an independent certified public accountant to s. 218.39(1), F.S. Transfers the requirement that each local government finance commission, board, or council, and each municipal power corporation shall provide for an audit of its accounts and records to s. 218.32(1)(c), F.S. Transfers the format of county audit reports to s. 218.39(2), F.S. Deletes the provisions related to the Public Records Modernization Trust Fund. Transfers the auditor selection procedures for local governmental entities, district school boards, and charter schools to s. 218.391, F.S. Transfers the requirement that the independent certified public accountant must discuss with the chair of the audited entity, or the chair's designee, all of the auditor's comments that will be included within the report to s. 218.39(5), F.S. Transfers the requirement that the chair respond in writing to the auditor's comments to s. 218.39(6), F.S.

Transfers the Auditor General's authority to promulgate rules and other guidance to s. 11.45(8) and (9), F.S. Transfers the deadline for each local governmental entity, district school board, or charter school to submit its audit report to s. 218.39(8), F.S. Transfers the penalty provisions for failure to file an audit report to s. 11.40(5), F.S.

AUDITOR GENERAL REPORTING REQUIREMENTS

Requires the Auditor General to notify the Legislative Auditing Committee of any local governmental entity, district school board, or charter school that fails to comply with ss. 218.39, 11.45(7)(b), and 218.415, F.S. Requires the Auditor General to include non-audited local governmental entities within the annual report submitted to the presiding officers of the legislature. Transfers an annual report by the Auditor General concerning recommendations made within his or her reports from s. 11.42(6)(c), F.S. Deletes a provision related to performance audits by the Auditor General. Transfers the performance audit of the local government financial reporting system to s. 11.45(2)(g), F.S. Transfers the request by a local governmental entity for an audit by the Auditor General to s. 11.45(6), F.S. Transfers the penalty provisions for failure to pay for the cost of an audit conducted by the Auditor General to s. 11.40(5), F.S. Deletes an Auditor General reporting requirement related to a special district with problems concerning debt policy or practices. Deletes the deadline for completion of audits conducted by the Auditor General. Transfers the Auditor General's authority to defer an audit to s. 11.45(4), F.S. Transfers the Legislative Auditing Committee's authority to conduct investigations to s. 11.40(4), F.S. Transfers the Auditor General's authority to staff audits to s. 11.45(4), F.S. Transfers the provisions relating to the Auditor General's audit reports and workpapers to s. 11.45(4), F.S. Deletes certain provisions within audit reports by the Auditor General. Transfers the requirement that the Auditor General or his or her staff discuss audit findings with the official whose office is subject to audit to s. 11.45(4), F.S. Transfers the requirement that the audited official submit a written statement of explanation or rebuttal concerning all of the findings from s. 11.45(4), F.S. Deletes the requirement that agency heads provide certain reports to the Legislative Auditing Committee. Deletes a follow-up report provided by OPPAGA and the Auditor General.

RULES OF THE AUDITOR GENERAL

Transfers the Auditor General's authority to promulgate rules for certain audits from s. 11.45(3)(a)10., F.S.

OTHER GUIDANCE PROVIDED BY THE AUDITOR GENERAL

Transfers the Auditor General's authority to develop a compliance supplement for audits of district school boards from s. 11.45(3)(a)10., F.S.

Transfers the authority of certain governmental entities to contract for financial audits and performance audits to ss. 230.23 and 240.3631, F.S.

Transfers a reporting requirement of the Auditor General relating to special districts to s. 11.45(7), F.S.

Transfers the authority for the Auditor General to conduct audits of direct-support organizations and citizen support organizations to s. 11.45(3)(a)4., F.S.

Section 4 (Pages 47-48). Amends s. 11.47, F.S., to add OPPAGA as an entity that must have records made available by officers who are subject to examinations. Provides criminal penalties for the director or staff of OPPAGA for failure to provide information or for making a false report. Provides criminal and other penalties for persons refusing to furnish information to OPPAGA.

Section 5 (Pages 48-50). Amends s. 11.51, F.S., to revise the mandate of OPPAGA. Removes the designation that OPPAGA is a unit of the Auditor General. Deletes the requirement that the Auditor General must provide administrative support to OPPAGA. Adds responsibilities for OPPAGA that were moved from s. 11.45, F.S. Conforms the Florida Statutes to reflect the separation of OPPAGA from the Auditor General.

Section 6 (Pages 50-53). Amends s. 11.511, F.S., to remove outside employment restrictions for OPPAGA staff. Revises the criteria for the postponement of OPPAGA projects.

Section 7 (Pages 53-57). Amends s. 11.513, F.S., to bring the language in line with the current status of performance based program budgets. Deletes reference to the deferral or elimination of OPPAGA projects; this language is consolidated in s. 11.511(6), F.S.

Section 8 (Page 57). Amends s. 14.29(15), F.S., relating to the Florida Commission on Community Service's direct-support organization (DSO). Requires audits of the DSO to be in accordance with s. 215.98, F.S.

Section 9 (Pages 57-59). Amends s. 20.055(5)(f) & (g), F.S., relating to Agency Inspectors General. Transfers the Auditor General's review of each agency's internal audit reports to s. 11.45(2)(f), F.S. Requires agency inspectors general to report to the Legislative Auditing Committee within 6 months of a report on the state agency issued by the Auditor General or OPPAGA.

Section 10 (Page 59). Amends s. 20.23(6), F.S., to require the Department of Transportation to implement recommendations made by OPPAGA.

Section 11 (Pages 59-60). Amends s. 20.2551(3), F.S., relates to citizen support organizations (CSO). Requires audits of the CSO to be in accordance with s. 215.98, F.S.

Section 12 (Pages 60-61). Amends s. 24.105(13)(c), F.S., to add OPPAGA to the list of entities authorized to access confidential records of the Department of the Lottery.

Section 13 (Page 61). Amends s. 24.120(4), F.S., to add OPPAGA to the list of entities that have access to the Department of the Lottery's facilities.

Section 14 (Pages 61-62). Amends s. 27.3455(1) and (2)(a), F.S., relating to counties' annual statement of revenues and expenditures. Deletes the requirement that each county submit this statement to the Auditor General. Corrects a cross- reference.

Section 15 (Page 62). Amends s. 30.51(5), F.S., deletes the format of how the sheriff remits fees and commissions to the county.

Section 16 (Pages 62-63). Amends s. 39.202(2)(k), F.S., to add OPPAGA as an entity that is authorized to access records related to child abuse and neglect.

Section 17 (Page 63). Amends s. 110.109(1), F.S., to add OPPAGA to the list of entities that will receive reports issued by the Department of Management Services relating to agency personnel administration and management reviews.

Section 18 (Pages 63-66). Amends s. 112.313(9)(a), F.S., to add the director of OPPAGA to the list of persons subject to post-employment restrictions.

Section 19 (Pages 66-67). Amends s. 112.324(7)(a) and (c), F.S., to add the director and staff of OPPAGA to the list of persons subject to consequences regarding a possible breach of public trust.

Section 20 (Pages 67-68). Amends s. 112.63(2), F.S., to correct cross-references.

Section 21 (Page 68). Amends s. 116.07, F.S., requires sheriffs and clerks to keep account books in accordance with s. 218.33, F.S., rather than in a manner prescribed by the Auditor General.

Section 22 (Pages 68-69). Amends s. 119.07(6), F.S., to add OPPAGA to the list of entities that have access to public records.

Section 23 (Page 69). Amends s. 122.03(8)(b), F.S., to delete a reference to an assistant auditor general. This classification no longer exists within the Auditor General's office.

Section 24 (Pages 69-70). Amends s. 122.08(7), F.S., to delete a certification by the Auditor General related to a shortage in a state or county official or employee's retirement account.

Section 25 (Pages 70-71). Amends s. 125.01(1)(x), F.S., to delete the requirement that the Auditor General must retain county audit reports for a specified period of time.

Section 26 (Page 71). Amends s. 145.022(1), F.S., relating to a guaranteed salary of county officials. Deletes the requirement that copies of resolutions adopted by a board of county commissioners, relating to salaries, be filed with the Department of Banking and Finance and the Auditor General.

Section 27 (Page 71). Amends s. 145.14(2), F.S., relating to compensation of certain county officials. Deletes the requirement that copies of resolutions adopted by a board of county commissioners, relating to salaries of certain county officials, must be filed with the Department of Banking and Finance and the Auditor General.

Section 28 (Page 72). Amends s. 154.11(1)(o), F.S., to clarify the Auditor General's responsibilities relating to audits of public health trusts.

Section 29 (Pages 72-73). Amends s. 154.331(2)(d), F.S., relating to county health and mental health care special districts. Deletes the requirement that financial records of independent health or mental health care special districts shall be available for review for audit by state auditors.

Section 30 (Pages 73-74). Amends s. 163.356(3)(c), F.S., to delete a requirement that community redevelopment agencies annually file a report of its activities with the Auditor General.

Sections 31-36 (Pages 74-78). Amends ss. 175.261(1)(b), 185.221(1)(b), 189.4035(2), and 189.412(1), 189.418(4) & (5), and 189.419(1) & (3), F.S., to correct cross-references.

Section 37 (Pages 78-79). Amends s. 189.428(5)(f) and (g), F.S., to revise the criteria to be utilized by a local government conducting an oversight review of a special district.

Section 38 (Page 79). Amends s. 193.074, F.S., to add OPPAGA to the list of entities that are required to maintain confidentiality of certain records relating to property deeds.

Section 39 (Pages 79-80). Amends s. 195.084, F.S., to add OPPAGA to the list of entities that have access to records of the Department of Revenue and are required to maintain confidentiality of such records.

Section 40 (Pages 80-81). Amends s. 195.096(7), F.S., to clarify the Auditor General's responsibilities associated with a performance audit of the administration of ad valorem tax laws by the Department of Revenue.

Section 41 (Pages 81-82). Amends s. 196.101(4)(c), F.S., to add OPPAGA to the list of entities that are required to maintain confidentiality of records produced by totally and permanently disabled persons with regard to homestead exemption.

Section 42 (Pages 82-83). Amends s. 206.60(1)(b), F.S., relating to county tax on motor fuel. Deletes the requirement that the Department of Revenue obtain a certification from the Auditor General.

Section 43 (Pages 83-86). Repeals subparagraph 6. of paragraph (ff) of subsection (7) of s. 212.08, F.S., relating to a completed report by OPPAGA.

Section 44 (Pages 87-88). Amends s. 213.053(6), F.S., to add the director of OPPAGA or his or her authorized agent to the list of persons that have access to authorized tax records of the Department of Revenue and are required to maintain confidentiality of such records.

Section 45 (Page 88). Amends s. 215.44(6), F.S., to clarify OPPAGA's review of the State Board of Administration's management of investments.

Section 46 (Page 89). Creates s. 215.86, F.S., relating to management and systems controls of state agencies and the judicial branch.

Section 47 (Page 89). Amends s. 215.94(2), F.S., to correct a cross-reference.

Section 48 (Pages 89-90). Creates s. 215.98, F.S., relating to audits of state agency direct-support organizations and citizen support organizations. Requires the audits to be conducted in accordance with rules promulgated by the Auditor General and the state agency that created, approved, or administers the organization.

Section 49 (Pages 90-91). Amends s. 216.177(1), F.S., to add OPPAGA to the list of entities that receive the summary of outstanding state debt and the truth in bond statement.

Section 50 (Pages 91-92). Amends s. 216.178(2), F.S., to add OPPAGA to the list of entities that receive a certain budget report.

Section 51 (Pages 92-93). Amends s. 216.292(3), F.S., to add the director of OPPAGA to the list of persons that receive reports of budget revisions.

Section 52 (Pages 93-94). Amends s. 218.31(1), and creates s. 218.31(15)-(18), F.S. Deletes a cross-reference within the definition of the term “Local governmental entity.” Provides for a definition of the terms “Auditor”, “County agency”, “Financial audit”, and “Management letter”.

Section 53 (Pages 94-97). Amends s. 218.32(1), F.S., to require each local governmental entity that is not required to provide for an audit in accordance with s. 218.39, F.S., to submit an annual financial report to the Department of Banking and Finance. Requires the Department of Banking and Finance, in consultation with the Auditor General, to prescribe the format of the annual financial reports. Deletes the penalty provisions for failure to submit an annual financial report to the Department of Banking and Finance. Transfers those provisions to s. 11.40, F.S.

Section 54 (Page 97). Amends s. 218.33(2), F.S., to revise the provisions relating to the establishment of uniform accounting practices and procedures.

Section 55 (Pages 98-99). Amends s. 218.38(3), F.S., to delete the penalty provisions for failure by a local governmental entity to verify certain information held by the Division of Bond Finance within the State Board of Administration. Those provisions are transferred to s. 11.40, F.S.

Section 56 (Pages 99-105). Creates ss. 218.39, and 218.391, F.S., to provide for annual financial audit reports of local governmental entities, district school boards, charter schools, and charter technical career centers. Requires annual financial audit of each county; any municipality with revenues or the total of expenditures and expenses in excess of \$250,000; any special district with revenues or the total of expenditures and expenses in excess of \$100,000; each district school board; each charter school; each charter technical career center; each municipality with revenues or the total of expenditures and expenses between \$100,000 and \$250,000 that has not been subject to a financial audit during the two preceding years; and each special district with revenues or the total of expenditures and expenses between \$50,000 and \$100,000 that has not been subject to a financial audit during the two preceding years.

Requires the county audit report to be one document that includes an audit of the county as a whole. Requires certain reports for each county agency.

Allows for dependent special districts to be audited as a part of another local governmental entity upon which it is dependent. Prohibits independent special districts from being included within the audit of another local governmental entity.

Requires the predecessor auditor of a district school board to provide the Auditor General with access to the prior year's working papers in accordance with professional auditing standards.

Requires audits to be conducted in accordance with rules promulgated by the Auditor General.

Provides auditor selection procedures for local governmental entities, district school boards, charter schools, and charter technical career centers.

Section 57 (Pages 105-106). Amends s. 218.415(22), F.S., to correct a cross-reference and to delete a review by the Auditor General. The review is transferred to s. 11.45(7)(d), F.S.

Section 58 (Page 106). Amends s. 228.056(8)(g), F.S., to clarify the audit requirements for charter schools.

Section 59 (Pages 106-112). Amends s. 228.093(3)(d), F.S., to add OPPAGA as an entity that is authorized to receive access to personally identifiable records or reports of a pupil or student without consent of the pupil or the pupil's parent.

Section 60 (Page 112). Amends s. 228.505(11)(e), F.S., to clarify the audit requirements for charter technical career centers.

Section 61 (Page 112). Amends s. 229.8021(4), F.S., to require audits of direct-support organizations created by the State Board of Education to be conducted in accordance with s. 215.98, F.S.

Section 62 (Page 113). Creates paragraphs (l) and (m) s. 230.23(10), F.S., to authorize school boards to employ an internal auditor and to contract with an independent certified public accountant to conduct financial and performance audits of the district's accounts and records.

Section 63 (Pages 113-114). Amends s. 230.23025(4), F.S., to correct a cross-reference.

Section 64 (Pages 114-115). Amends s. 237.40(4), F.S., to require direct-support organizations created by the Department of Education to be audited in accordance with rules promulgated by the Auditor General and by the Commissioner of Education. Requires the audit to be completed within 9 months after fiscal year end.

Section 65 (Pages 115-116). Amends s. 240.214(1), F.S., to re-assign a project relating to Board of Regents accountability reports from the Auditor General to OPPAGA. Conforms the Florida Statutes to reflect the separation of OPPAGA from the Auditor General.

Section 66 (Pages 116-117). Amends s. 240.299(5), F.S., to require direct-support organizations created by the Board of Regents to be audited in accordance with rules promulgated by the Auditor General and the Board of Regents. Requires the audit to be completed within 9 months after fiscal year end. Authorizes OPPAGA to conduct audits of the direct-support organizations.

Section 67 (Page 117). Amends s. 240.2995(5), F.S., to require university health support organizations to be annually audited in accordance with s. 240.299(4), F.S.

Section 68 (Pages 117-118). Amends s. 240.311(8)(c), F.S., to add OPPAGA as an entity that is authorized to receive supplemental data from not-for-profit corporations receiving funds pursuant to this section.

Section 69 (Pages 118-119). Amends s. 240.331(6), F.S., to require direct-support organizations created by the State Board of Community Colleges to be audited in accordance with rules promulgated by the Auditor General and the State Board of Community Colleges. Requires the audit to be completed within 9 months after fiscal year end. Authorizes OPPAGA to conduct audits of the direct-support organizations.

Section 70 (Pages 119-120). Amends s. 240.3315(6), F.S., to require the statewide community college direct-support organization to be annually audited in accordance with s. 240.331, F.S.

Section 71 (Page 120). Creates s. 240.3631, F.S., to authorize district boards of trustees of community colleges to contract with an independent certified public accountant to conduct audits of their accounts and records.

Section 72 (Pages 120-123). Amends s. 240.512(2)(d) and (8)(b), F.S., to add OPPAGA to the list of entities that are authorized to receive supplementary data from the H. Lee Moffitt Cancer Center and Research Institute. Also, adds OPPAGA to the list of entities authorized to have access to confidential information.

Section 73 (Pages 123-124). Amends s. 240.5285(3), F.S., to require the direct-support organization established by the Florida Atlantic University Broward to be annually audited in accordance with s. 240.299(4), F.S.

Section 74 (Pages 124-126). Amends s. 240.551(22), F.S., to require the Florida Prepaid College Program's direct-support organization to be annually audited in accordance with s. 215.98, F.S.

Section 75 (Pages 126-127). Amends s. 240.609(6), F.S., to add OPPAGA as an entity that is authorized to examine the records of the Florida Postsecondary Endowment Grants Program administered by the Department of Education.

Section 76 (Pages 127-128). Amends s. 240.711(2)(h), F.S., to require the John and Mable Ringling Museum of Art's direct-support organization to be annually audited in accordance with s. 240.299(4), F.S.

Section 77 (Page 128). Amends s. 250.115(6), F.S., to require the Department of Military Affairs' direct-support organization to be annually audited in accordance with s. 215.98, F.S.

Section 78 (Pages 128-129). Amends s. 253.025(11), F.S., to clarify the Auditor General's responsibilities relating to audits of acquisitions and divestitures of state lands.

Section 79 (Page 129). Amends s. 259.041(16), F.S., to clarify the Auditor General's responsibilities relating to audits of acquisitions and divestitures of state lands.

Section 80 (Page 129). Amends s. 266.0018(7), F.S., to require the direct-support organization authorized by the Historic Pensacola Preservation Board of Trustees to be annually audited in accordance with s. 215.98, F.S.

Section 81 (Page 130). Amends s. 267.17(3), F.S., to require citizen support organizations to be annually audited in accordance with s. 215.98, F.S.

Section 82 (Pages 130-131). Amends s. 288.1226(6), F.S., relating to the Florida Tourism Industry Marketing Corporation. Requires audits of the corporation to be in accordance with s. 215.98, F.S.

Section 83 (Page 131). Amends s. 288.1229(5), F.S., to require the direct-support organization authorized by the Office of Tourism Trade and Economic Development (OTTED) to be annually audited in accordance with s. 215.98, F.S.

Section 84 (Pages 131-132). Amends s. 288.809(4), F.S., to require the Florida Intergovernmental Relations Foundation to be annually audited in accordance with s. 215.98, F.S.

Section 85 (Pages 132-133). Amends s. 288.9517, F.S., to add OPPAGA as an entity authorized to examine the technology development board within Enterprise Florida, Inc.

Section 86 (Page 133). Amends s. 290.0056(5), F.S., relating to enterprise zone development agencies. Deletes a requirement that those agencies annually file a report of their activities with the Auditor General.

Section 87 (Pages 134-135). Amends s. 290.015, F.S., to re-assign a project related to the Florida Enterprise Zone Act from the Auditor General to OPPAGA. Conforms the Florida Statutes to reflect the separation of OPPAGA from the Auditor General.

Section 88 (Page 135). Amends s. 296.17, F.S., to add OPPAGA as an entity authorized to audit and inspect the Veterans' Domiciliary Home of Florida.

Section 89 (Pages 135-136). Amends s. 296.41, F.S., to add OPPAGA as an entity authorized to audit and inspect the Veterans' Nursing Home of Florida.

Section 90 (Page 136). Amends s. 311.07(3)(a), F.S., to correct a cross-reference.

Section 91 (Pages 136-138). Amends s. 320.023(5)-(7), F.S., to conform to the Florida Single Audit Act, s. 215.97, F.S.

Section 92 (Pages 138-139). Amends s. 320.08058(9)(b), F.S., to require that audits of the Florida Sports Foundation, a direct-support organization, be conducted in accordance with s. 215.98, F.S.

Section 93 (Pages 140-141). Amends s. 320.08062, F.S., to conform to the Florida Single Audit Act, s. 215.97, F.S.

Section 94 (Pages 141-143). Amends s. 322.081(5)-(7), F.S., to conform to the Florida Single Audit Act, s. 215.97, F.S.

Section 95 (Pages 143-144). Amends s. 334.0445(4), F.S., to add OPPAGA to the list of report recipients for a Department of Transportation report relating to the model career service classification and compensation plan.

Section 96 (Page 144). Amends s. 339.406(5), F.S., to require the contract between the Department of Transportation and the transportation corporation to provide for annual audits of the corporation. Also, the contract provides authority to the Department and the Auditor General to conduct audits of the corporation.

Section 97 (Pages 144-148). Amends s. 365.171(13)(a), F.S., to correct a cross-reference.

Section 98 (Pages 148-149). Amends s. 372.0215(3), F.S., to require citizen support organizations to be annually audited in accordance with s. 215.98, F.S.

Section 99 (Pages 149-150). Amends s. 373.45926(3), F.S., to replace the term “postaudit” with “audit”.

Section 100 (Pages 150-151). Amends s. 373.507, F.S., to delete the requirement that water management districts and basins are to undergo annual financial audits. Those districts and basins are required under s. 218.39, F.S., to provide for annual financial audits. Provides for the distribution of the districts’ and basins’ audit reports.

Section 101 (Page 151). Amends s. 402.73(9), F.S., to delete a requirement that the Auditor General include specific reference to systems and controls related to financial integrity in the developmental services Medicaid waiver service system within the audit of the Department of Children and Family Services.

Section 102 (Pages 151-152). Amends s. 403.1826(8), F.S., to add OPPAGA as an entity authorized to access the records of the Department of Environmental Protection.

Section 103 (Page 152). Amends s. 403.8532(11)(d), F.S., to replace the term “accepted government accounting standards” with “generally accepted accounting principles”.

Section 104 (Pages 152-154). Amends s. 403.864(2), F.S., relating to the public water supply accounting program. Deletes a requirement that the Auditor General assist in the development of an accounting program to be used by the Departments of Health and Environmental Protection.

Section 105 (Page 154). Amends s. 411.01(4)(m), F.S., to delete the Auditor General's authority to conduct audits of the Florida Partnership for School Readiness. The Auditor General's authority is transferred to s. 11.45(3)(a), F.S.

Section 106 (Pages 154-155). Amends s. 411.221(2), F.S., to add OPPAGA reports to the list of items to be utilized by the Department of Education and the Department of Children and Families in their prevention and early assistance plan.

Section 107 (Page 155). Amends s. 413.615(11), F.S., to require the Florida Endowment for Vocation Rehabilitation to be annually audited in accordance with s. 215.98, F.S.

Section 108 (Pages 155-156). Amends s. 413.87(1), F.S., to require the Occupational Access and Opportunity Corporation to be annually audited in accordance with s. 215.98, F.S.

Section 109 (Page 156). Amends s. 413.88, F.S., to delete the Auditor General's authority to conduct audits of the Occupational Access and Opportunity Commission. The Auditor General's authority is transferred to s. 11.45(3)(a), F.S.

Section 110 (Pages 156-157). Amends s. 446.609(12) & (13)(b), F.S., to require the Florida Endowment Foundation for Jobs for Florida's Graduates to be annually audited in accordance with s. 215.98, F.S. Corrects a reference to the Office of Economic and Demographic Research.

Section 111 (Pages 157-158). Amends s. 455.32(9), F.S., to clarify the audit requirements for certain corporations.

Section 112 (Pages 158-159). Amends s. 471.038(3)(j), F.S., to clarify the audit requirements for the Florida Engineers Management Corporation.

Section 113 (Page 159). Amends s. 550.125(2)(c), F.S., to delete a requirement that the Auditor General conduct audits at the request of the Division of Pari-mutuels of the Department of Business and Professional Regulation. Provides the Auditor General and OPPAGA with the authority to conduct audits or examinations of the books and records of any permit holder.

Section 114 (Pages 159-161). Amends s. 570.903(1) and (3), F.S., to provide for the establishment of a direct-support organization to provide assistance to the Florida Agriculture in the Classroom Program, Florida State Collection of Arthropods, Friends of the Florida State Forests Program of the Division of Forestry, and the Forestry Arson Alert Program. Requires the direct-support organizations to be annually audited in accordance with s. 215.98, F.S.

Section 115 (Page 161). Amends s. 601.15(10)(d), F.S., to add OPPAGA as an entity authorized to access the records of the Department of Citrus.

Section 116 (Page 161). Amends s. 616.263(2), F.S., to replace the requirement that the Auditor General conduct annual audits of the Florida State Fair Authority with providing the authority to conduct audits of the Fair Authority. The Fair Authority is audited annually by a private independent certified public accountant.

Section 117 (Page 162). Amends s. 657.008(4), F.S., to delete a reporting requirement to the Auditor General relating to allotment of space in a governmental building.

Section 118 (Pages 162-163). Amends s. 744.708(5), F.S., to add OPPAGA as an entity authorized to examine the Statewide Public Guardianship Office.

Section 119 (Page 163). Amends s. 943.25(3), F.S., to delete the term “annually” to conform to the changes made in s. 11.45 by ch. 99-333, L.O.F. The provisions of s. 11.45, F.S., as amended by ch. 99-333, L.O.F., state in part, “...The Auditor General shall, at least every other year, make operational audits of the accounts and records of all state agencies, as defined in this section...”

Section 120 (Page 163). Amends s. 943.2569, F.S., relating to annual audits of criminal justice selection centers. Requires audits of the centers to be in accordance with s. 11.45, F.S.

Section 121 (Pages 163-164). Amends s. 944.512(2)(c), F.S., to provide that certain costs associated with imprisonment shall be determined and certified by the prosecuting attorney and the imprisoning entity and subject to review by the Auditor General. Previously, those costs were determined by the Auditor General.

Section 122 (Page 164). Amends s. 944.719(3), F.S., to add OPPAGA to the list of entities that have access to records of private vendors under contract with the Department of Corrections to construct, lease, or operate a private correctional facility.

Section 123 (Pages 164-165). Amends s. 944.802(3), F.S., to require the direct-support organization approved by the Department of Corrections to be annually audited in accordance with s. 215.98, F.S.

Section 124 (Page 165). Amends s. 946.31, F.S., to delete a requirement that the Auditor General make a determination relating to a surplus in the Correctional Work Program Trust Fund.

Section 125 (Pages 165-167). Amends s. 948.15(3), F.S., to add OPPAGA to the list of entities that have access to records of private entities that provide services for the supervision of misdemeanor probationers.

Section 126 (Pages 167-168). Amends s. 957.07, F.S., to replace the Auditor General with the Department of Corrections relating to cost-saving requirements.

Section 127 (Page 168). Amends s. 957.11, F.S., to re-assign a project relating to the privatization of prisons from the Auditor General to OPPAGA. Conforms the Florida Statutes to reflect the separation of OPPAGA from the Auditor General.

Section 128 (Pages 168-169). Amends s. 960.002(4), F.S., to require the direct-support organization authorized by the Governor to be annually audited in accordance with s. 215.98, F.S.

Section 129 (Pages 169-170). Amends s. 985.311(1)(a), F.S., to add OPPAGA to the list of report recipients for a Department of Juvenile Justice report relating to the performance of assessment and treatment services.

Section 130 (Page 170). Amends s. 985.4145(6), F.S., to require the direct-support organization under contract with the Department of Juvenile Justice to be annually audited in accordance with s. 215.98, F.S.

Section 131 (Pages 170-171). Amends s. 985.416(3), F.S., to re-assign a project related to innovation zones from the Auditor General to OPPAGA. Conforms the Florida Statutes to reflect the separation of OPPAGA from the Auditor General.

Section 132 (Page 171). Repeals ss. 11.149 and 11.46; paragraph (e) of subsection (2) of s. 125.901; paragraph (l) of subsection (2) of section 215.56005; s. 216.2815; subsection (23) of s. 218.415; subsection (11) of s. 228.053; subsection (6) of s. 228.082; subsection (3) of s. 253.037; s. 265.607; subsection (2) of s. 288.906; ss. 288.9616 and 298.65; subsection (3) of section 331.419; ss. 339.413, 348.69, and 373.589; subsection (3) of s. 374.987; subsection (8) of s. 380.510; ss. 388.331 and 400.335; subsection (14) of s. 403.1837; paragraph (i) of subsection (14) of s. 440.49; subsection (14) of s. 517.1204; and ss. 570.912, 581.195, 589.013, 590.612, F.S., are repealed.

Section 11.149, F.S., provides an exemption to the Legislative Auditing Committee and the Auditor General related to ss. 11.143, 11.147, 11.241, 11.242(6), 11.243(3), 11.25(1), and 11.26, F.S.

Section 11.143, F.S., relates to standing and select committees and their powers.

Section 11.147, F.S., relating to the Office of Legislative Services (OLS). Among other things, it requires joint committees and other units of the Legislature to be governed by the joint rules of the Senate and the House of Representatives.

Section 11.241, F.S., relates to the creation of a permanent statutory revision plan under OLS.

Section 11.242(6), F.S., relates to awarding contracts for editorial work, printing, and to pay for such other things as authorized and performed as part of the statutory revision program under Florida Law.

Section 11.243(3), F.S., relates to the collection of moneys from the sale of the Florida Statutes or other publications and their deposit into the State Treasury and credited to the appropriation for legislative expense.

Section 11.25(1), F.S., determines that the employees of the several offices, committees, and other divisions of the Legislature are and continue to be groups of employees employed by the Legislature to perform such services as may be provided by law, rules of the respective chamber, or directed by the joint committee, whichever is applicable. This exemption is transferred to s. 11.42, F.S.

Section 11.26, F.S., relates to legislative employees and employment restrictions. This provision is transferred to s. 11.42, F.S.

Section 11.46, F.S., relates to accounting procedures of governmental entities.

Section 125.901(2)(e), F.S., relates to audits of children's services independent special districts.

Section 215.56005(2)(l), F.S., relates to the Auditor General's authority to conduct audits of the Tobacco Settlement Financing Corporation. This authority is transferred to s. 11.45(3)(a), F.S.

Section 216.2815, F.S., relates to the Auditor General's authority to conduct audits of a nongovernmental agency, corporation, or person receiving an appropriation made by the General Appropriations Act. This authority is transferred to s. 11.45(3)(a), F.S.

Section 218.415(23), F.S., deletes a review by the Auditor General of local governmental entities' compliance with s. 218.415, F.S. The review is transferred to s. 11.45(7)(d), F.S.

Section 228.053(11), F.S., relates to the Auditor General's responsibilities concerning audits of developmental research schools.

Section 228.082(6), F.S., relates to the Auditor General's authority to conduct audits of the Florida On-Line High School. This authority is transferred to s. 11.45(3)(a), F.S.

Section 253.037(3), F.S., relates to the Auditor General's responsibilities associated with performance audits of purchases of certain real property. This authority is transferred to s. 11.45(3)(a), F.S.

Section 265.607, F.S., relates to audits of local cultural sponsoring organizations. According to staff with the Auditor General, these provisions conflict with the Florida Single Audit Act, s. 215.97, F.S.

Section 288.906(2), F.S., relating to the Auditor General's authority to conduct audits of Enterprise Florida, Inc., including any of its boards, advisory committees or similar groups created by Enterprise Florida, Inc. This authority is transferred to s. 11.45(3)(a), F.S.

Section 288.9616, F.S., relates to the Auditor General's authority to conduct audits of the Florida Development Finance Corporation or the capital development board. This authority is transferred to s. 11.45(3)(a), F.S.

Section 298.65, F.S., relates to the Auditor General conducting audits of water management districts at the request of the Governor.

Section 331.419(2), F.S., relates to a completed report by OPPAGA.

Section 339.413, F.S., relates to audits of transportation corporations under contract with the Department of Transportation.

Section 348.69, F.S., relates to audits of the Tampa-Hillsborough County Expressway Authority conducted annually by the Auditor General. The authority is annually audited by a private independent certified public accountant.

Section 373.589, F.S., relates to audits of water management districts.

Section 374.987(3), F.S., relates to audits of the Florida Inland Navigation District.

Section 380.510(8), F.S., relates to performance audits by the Auditor General concerning the Florida Communities Trust Program. The authority is transferred to s. 11.45(3)(a), F.S.

Section 388.331, F.S., relates to audits of counties and special districts carrying out mosquito control programs. Also, it relates to establishing a method of maintaining books and records approved by the Auditor General.

Section 400.335, F.S., relates to audits of trust funds and related accounts of nursing homes. The authority to conduct audits of these funds is transferred to s. 11.45(3)(a), F.S.

Section 403.1837(14), F.S., relates to the Auditor General's authority to conduct audits of the Florida Water Pollution Control Financing Corporation. This authority is transferred to s. 11.45(3)(a), F.S.

Section 440.49(14)(i), F.S., relates to the Auditor General's authority to conduct audits of the Florida Special Disability Trust Fund Financing Corporation. This authority is transferred to s. 11.45(3)(a), F.S.

Section 517.1204(14), F.S., relates to the Auditor General's authority to conduct audits of the Investment Fraud Restoration Financing Corporation. This authority is transferred to s. 11.45(3)(a), F.S.

Section 570.912, F.S., relates to the direct-support organization created to provide assistance to the Florida Agriculture in the Classroom Program.

Section 581.195, F.S., relates to the direct-support organization created to provide assistance to the Florida State Collection of Arthropods.

Section 589.013, F.S., relates to the direct-support organization created to provide assistance to the Friends of the Florida State Forests Program of the Division of Forestry.

Section 590.612, F.S., relates to the direct-support organization created to provide assistance to the Forestry Arson Alert Program.

Section 133 (Page 171). Provides that the act shall take effect upon becoming a law.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None. The provisions amending ss. 119.07 and 228.093, F.S., make nomenclature changes and neither expand an existing exemption nor create a new one. Section 72 expands access to confidential information by OPPAGA but it does not expand an existing exemption.

The proposed creation of ss. 11.51(5), F.S., poses a different situation. This addition provides an exemption from public records for the workpapers and notes of OPPAGA similar to that enjoyed by the Auditor General. To avoid a legal challenge to this provision it would be preferable for this subsection to be placed in another bill specifically dealing with public record exemptions or for the Legislature to make workpaper exemptions part of its Joint Rule Five and Six which deal with the Auditor General and OPPAGA specifically.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

As discussed below, 57 local governments will experience reduced costs for contract audit requirements.

B. Private Sector Impact:

Certified public accounting firms will experience reduced fees, as noted below.

C. Government Sector Impact:

The Joint Legislative Auditing Committee reports that 21 municipalities and 36 special taxing districts will have their audit cycles changed by this bill. The effect is to reduce the estimated cumulative fees paid for this service by \$106,848 for municipalities and by \$115,740 for special districts based upon 1999 expenditures.

VI. Technical Deficiencies:

Section 216.351, F.S., requires that for any amendment to ch. 216, F.S. to take effect it must cross-refer to that section designation. Section 132 of this bill amends that chapter but does not contain that cross-reference. The result is neither harmful nor inconsistent and no amendment appears to be needed.

VII. Related Issues:

Amendment # 5 adopted in the Governmental Oversight and Productivity Committee makes a change to the county tourist development tax statute, s. 125.0104, F.S. This material is not compatible with the remainder of the bill that deals exclusively with auditing responsibilities of the Legislative Branch of state government.

VIII. Amendments:

#1 by Governmental Oversight and Productivity Committee:

Provides that the revised auditing responsibilities apply also to state universities' boards of trustees.

#2 by Governmental Oversight and Productivity Committee:

Provides that revised audit requirements apply to state universities and shall give weight to their inspectors general reports.

#3 by Governmental Oversight and Productivity Committee:

Deletes a new public records exemption on work papers applicable to OPPAGA.

#4 by Governmental Oversight and Productivity Committee:

Provides that a county may request an audit of its financial records under rules of the Auditor General.

#5 by Governmental Oversight and Productivity Committee:

Provides that an expiring tourist development tax imposed under s. 125.0104, F.S., may be extended without referendum approval.