

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

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Prepared By: The Professional Staff of the Committee on Ethics and Elections

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BILL: CS/SB 1636

INTRODUCER: Ethics and Elections Committee and Senator Gibson

SUBJECT: Duties of the Legislative Auditing Committee

DATE: February 17, 2016

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Carlton	Roberts	EE	<b>Fav/CS</b>
2.			GO	
3.			AP	

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 1636 repeals some of the responsibilities of the Joint Legislative Auditing Committee and the Auditor General relating to certain audits and the Committee's responsibilities under the Transparency Florida Act. The Joint Legislative Auditing Committee (Committee) is a joint committee comprised of five members of the Florida House of Representatives and five members of the Florida Senate. Current law authorizes the Committee to investigate any matter within the scope of an audit, review, or examination either completed by or being conducted by the Auditor General or the Office of Program Policy Analysis and Government Accountability and, in connection with such investigation, to exercise subpoena powers.

The bill repeals the requirement for the Auditor General to notify the Committee of any financial or operational audit report that indicates that a state university or Florida College System institution has failed to take full corrective action in response to a recommendation that was included in the two preceding financial or operational audit reports. The bill also repeals the Committee's responsibilities to investigate and refer such instances of noncompliance.

The bill repeals the Committee's responsibilities with respect to the Transparency Florida Act (Act), including the requirements that the Committee make recommendations regarding the websites required under the Act and prepare an annual report.

The bill is effective July 1, 2016.

## II. Present Situation:

### Legislative Auditing Committee

The Joint Legislative Auditing Committee (Committee) is a joint committee comprised of five members of the Florida House of Representatives and five members of the Florida Senate. Section 11.40, F.S., authorizes the Committee to investigate any matter within the scope of an audit, review, or examination either completed by or being conducted by the Auditor General or the Office of Program Policy Analysis and Government Accountability and, in connection with such investigation, to exercise subpoena powers.

### Auditor General

The Auditor General is appointed by the Legislature to conduct audits of records and to perform related duties as prescribed by law.<sup>1</sup> Such duties include, but are not limited to:

- Conducting financial audits of state government, state universities, state colleges, and district school boards;
- Conducting operational and performance audits of accounts and records of state agencies, state universities, state colleges, district school boards, the Florida Clerks of Court Operations Corporation, water management districts, and the Florida School for the Deaf and the Blind;
- Conducting performance audits of local government financial reporting systems; and
- Conducting performance audits of the Department of Revenue's administration of the ad valorem tax laws.<sup>2</sup>

The Auditor General is required to notify the Committee of any financial or operational audit report that indicates that a district school board, state university, or Florida College System institution has failed to take full corrective action in response to a recommendation that was included in the two preceding financial or operational audit reports.<sup>3</sup> The Committee is authorized to direct the audited entity to provide a written statement explaining why full corrective action has not been taken or what corrective action is intended to be taken and when it will occur.<sup>4</sup> If the Committee determines that the audited entity has failed to take full corrective action for which there is no justifiable reason or has failed to comply with the Committee's requests, the Committee must refer the matter to the State Board of Education or the Board of Governors, as appropriate, to investigate the noncompliance.<sup>5</sup>

### Transparency Florida Act

The Transparency Florida Act (Act) requires specified governmental fiscal information to be made publicly available via website or management system.<sup>6</sup> The Act requires the Governor, in consultation with the appropriations committees of the House of Representatives and the Senate,

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<sup>1</sup> See art. III, s. 2, Fla. Const., and s. 11.45(2)(a), F.S.

<sup>2</sup> See s. 11.45(2)(a), F.S.

<sup>3</sup> Section 11.45(7)(j), F.S.

<sup>4</sup> Section 11.45(7)(j)1., F.S.

<sup>5</sup> Section 11.45(7)(j)3., F.S.

<sup>6</sup> Section 215.985, F.S.

to maintain a central website providing access to all other websites required by the Act. The law requires certain budget information, certain contract information, and minimum functionality standards to be readily available online.

Pursuant to the Act, the Committee is required to annually recommend to the President of the Senate and the Speaker of the House of Representatives:

- Additional information to be added to a website, such as whether to expand the scope of the information provided to include state universities, Florida College System institutions, school districts, charter schools, charter technical career centers, local government units, and other governmental entities.
- A schedule for adding information to the website by type of information and governmental entity, including timeframes and development entity.
- A format for collecting and displaying the additional information.<sup>7</sup>

The manager of each website required under the Act must submit to the Committee information related to the cost of creating and maintaining the website and the number of times the website has been accessed.<sup>8</sup> The Committee is required to coordinate with the Financial Management Information Board in developing recommendations for including information on the website.<sup>9</sup> Each year, the Committee must prepare a report detailing progress in establishing the single website and providing recommendations for enhancement of the content and format of the website and related policies and procedures. The report must be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by November 1.<sup>10</sup>

### **III. Effect of Proposed Changes:**

CS/SB 1636 repeals the requirement for the Auditor General to notify the Committee of any financial or operational audit report that indicates that a state university or Florida College System institution has failed to take full corrective action in response to a recommendation that was included in the two preceding financial or operational audit reports. The bill also repeals the Committee's responsibilities to investigate and refer such instances of noncompliance.

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### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

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<sup>7</sup> Section 11.45(7), F.S.

<sup>8</sup> Section 11.45(8), F.S.

<sup>9</sup> Section 11.45(9), F.S.

<sup>10</sup> Section 11.45(13), F.S.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

The bill does not have a significant impact on state government expenditures. The workload associated with the responsibilities being eliminated is nominal.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 11.45 and 215.985.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Ethics and Elections on February 16, 2016:**

The committee substitute differs from the original bill in that it:

- Deletes Section 1 of the bill relating to audits of compensation reports of legislative and executive branch lobbying firms;
- Replaces the provisions of Section 2 of the bill relating to local governmental audits with provisions repealing the Auditor General's notice requirement concerning "Three-peat Findings" in state university and Florida college institution audits and Committee's responsibilities after such findings; and

- Deletes the provisions of Section 4 of the bill relating to notification to the Joint Legislative Auditing Committee about entities that have so-called “Three-peat Findings” and follow-up on the “Three-peat Findings” by the Committee.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.

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