



1 A bill to be entitled
2 An act relating to inspectors general and auditors;
3 amending s. 14.32, F.S.; requiring the Chief Inspector
4 General to meet specified qualifications applicable to
5 agency inspectors general, to have open and direct
6 access to the Governor, and to prepare an annual
7 report containing specified information; amending s.
8 20.23, F.S.; deleting a requirement requiring the
9 Secretary of Transportation to appoint an inspector
10 general; amending s. 20.055, F.S.; revising provisions
11 relating to duties and responsibilities of agency
12 inspectors general; providing that any staff employed
13 within an office of the inspector general are Selected
14 Exempt Service employees; providing that agency
15 inspectors general are Senior Management Service
16 employees; revising the qualifications of agency
17 inspectors general; authorizing an agency inspector
18 general and staff to take and record testimony or
19 statements necessary to conduct an investigation or
20 review; requiring each agency inspector general to
21 include specified budgetary and staffing information
22 in an annual report; amending s. 20.121, F.S.;
23 providing that an auditor employed within the Division
24 of Accounting and Auditing of the Department of
25 Financial Services is a Selected Exempt Service



26 employee; providing an effective date.

27
28 Be It Enacted by the Legislature of the State of Florida:

29
30 Section 1. Subsection (1) of section 14.32, Florida
31 Statutes, is amended, and paragraph (1) is added to subsection
32 (2) of that section, to read:

33 14.32 Office of Chief Inspector General.—

34 (1) There is created in the Executive Office of the
35 Governor the Office of Chief Inspector General. The Chief
36 Inspector General is responsible for promoting accountability,
37 integrity, and efficiency in the agencies under the jurisdiction
38 of the Governor. The Chief Inspector General shall be appointed
39 by and serve at the pleasure of the Governor and must meet the
40 qualifications specified in s. 20.055(4). However, upon a change
41 in Governors or reelection of the Governor, the Governor shall
42 appoint, or may reappoint, a Chief Inspector General before
43 adjournment sine die of the first regular session of the
44 Legislature that convenes after such change in Governors or
45 reelection of the Governor. The Chief Inspector General shall,
46 at all times, have open and direct access to the Governor.

47 (2) The Chief Inspector General shall:

48 (1) Prepare an annual report that summarizes the
49 activities performed in compliance with this section and
50 includes an aggregate of significant budgetary or administrative



51 changes contained in annual reports prepared by inspectors
52 general for state agencies under the jurisdiction of the
53 Governor pursuant to s. 20.055(8).

54 Section 2. Paragraph (d) of subsection (3) of section
55 20.23, Florida Statutes, is amended to read:

56 20.23 Department of Transportation.—There is created a
57 Department of Transportation which shall be a decentralized
58 agency.

59 (3)

60 ~~(d) The secretary shall appoint an inspector general~~
61 ~~pursuant to s. 20.055 who shall be directly responsible to the~~
62 ~~secretary and shall serve at the pleasure of the secretary.~~

63 Section 3. Paragraph (b) of subsection (3), paragraphs (a)
64 and (b) of subsection (4), subsections (6) and (7), paragraph
65 (c) of subsection (8), and subsection (10) of section 20.055,
66 Florida Statutes, are amended to read:

67 20.055 Agency inspectors general.—

68 (3)

69 (b) The inspector general shall report to and be under the
70 general supervision of the agency head and is not subject to
71 supervision by any other employee of the state agency in which
72 the office is established. For state agencies under the
73 jurisdiction of the Governor, the inspector general shall be
74 under the general supervision of the agency head for
75 administrative purposes, shall report to the Chief Inspector



76 | General, and may hire and remove staff within the office of the
77 | inspector general in consultation with the Chief Inspector
78 | General but independently of the agency. Any staff member
79 | employed within the office of an inspector general whose duties
80 | are enumerated in this section is included in the Selected
81 | Exempt Service as provided in chapter 110. Agency inspectors
82 | general are included in the Senior Management Service as
83 | provided in chapter 110.

84 | (4) (a) To ensure that state agency audits are performed in
85 | accordance with applicable auditing standards, the inspector
86 | general or the director of auditing within the inspector
87 | general's office shall possess the following qualifications:

88 | 1. A bachelor's degree from an accredited college or
89 | university with a major in accounting, or with a major in
90 | business which includes five courses in accounting, and 5 years
91 | of experience as an internal auditor or independent postauditor,
92 | information technology ~~electronic data processing~~ auditor,
93 | accountant, or any combination thereof. The experience shall at
94 | a minimum consist of audits of units of government or private
95 | business enterprises, operating for profit or not for profit; or

96 | 2. A master's degree in accounting, business
97 | administration, or public administration from an accredited
98 | college or university and 4 years of experience as required in
99 | subparagraph 1.; or

100 | 3. A certified public accountant license issued pursuant



101 to chapter 473 or a certified internal audit certificate issued
102 by the Institute of Internal Auditors or earned by examination,
103 and 4 years of experience as required in subparagraph 1.

104 (b) For agencies under the jurisdiction of the Governor,
105 the inspector general shall be selected on the basis of
106 integrity, leadership capability, and experience in accounting,
107 auditing, fraud examination, financial analysis, law, management
108 analysis, program evaluation, public administration,
109 investigation, criminal justice administration, or other closely
110 related field. The inspector general is subject to a level 2
111 background screening pursuant to chapter 435. The inspector
112 general shall have a 4-year degree from an accredited
113 institution of higher learning or have at least 5 years of
114 experience in at least one of the following areas:

- 115 1. Inspector general.
- 116 2. Supervisory experience in an office of inspector
117 general or an investigative public agency similar to an office
118 of inspector general.
- 119 3. Local, state, or federal law enforcement officer.
- 120 4. Local, state, or federal court judge.
- 121 5. Senior-level auditor or comptroller.
- 122 6. The administration and management of complex audits and
123 investigations.
- 124 7. Managing programs for information security, prevention,
125 examination, detection, elimination of fraud, waste, abuse,



126 | mismanagement, malfeasance, or misconduct in government or other
127 | organizations.

128 |
129 | An advanced degree in law, accounting, public administration, or
130 | other relevant field may substitute for 1 year of required
131 | experience.

132 | (6) In carrying out the auditing duties and
133 | responsibilities of this section ~~act~~, each inspector general
134 | shall review and evaluate internal controls necessary to ensure
135 | the fiscal accountability of the state agency. The inspector
136 | general shall conduct financial, compliance, information
137 | technology ~~electronic data processing~~, and performance audits of
138 | the agency and prepare audit reports of his or her findings. The
139 | scope and assignment of the audits shall be determined by the
140 | inspector general; however, the agency head may at any time
141 | request the inspector general to perform an audit of a special
142 | program, function, or organizational unit. The performance of
143 | the audit shall be under the direction of the inspector general,
144 | except that if the inspector general does not possess the
145 | qualifications specified in subsection (4), the director of
146 | auditing shall perform the functions listed in this subsection.

147 | (a) Such audits shall be conducted in accordance with the
148 | current International Standards for the Professional Practice of
149 | Internal Auditing as published by the Institute of Internal
150 | Auditors, Inc., or, where appropriate, in accordance with



151 generally accepted governmental auditing standards. All audit
152 reports issued by internal audit staff shall include a statement
153 that the audit was conducted pursuant to the appropriate
154 standards.

155 (b) Audit workpapers and reports shall be public records
156 to the extent that they do not include information which has
157 been made confidential and exempt from the provisions of s.
158 119.07(1) pursuant to law. However, when the inspector general
159 or a member of the staff receives from an individual a complaint
160 or information that falls within the definition provided in s.
161 112.3187(5), the name or identity of the individual may not be
162 disclosed to anyone else without the written consent of the
163 individual, unless the inspector general determines that such
164 disclosure is unavoidable during the course of the audit or
165 investigation.

166 (c) The inspector general and the staff shall have access
167 to any records, data, and other information of the state agency
168 he or she deems necessary to carry out his or her duties. The
169 inspector general may also request such information or
170 assistance as may be necessary from the state agency or from any
171 federal, state, or local government entity.

172 (d) At the conclusion of each audit, the inspector general
173 shall submit preliminary findings and recommendations to the
174 person responsible for supervision of the program function or
175 operational unit who shall respond to any adverse findings



176 within 20 working days after receipt of the preliminary
177 findings. Such response and the inspector general's rebuttal to
178 the response shall be included in the final audit report.

179 (e) At the conclusion of an audit in which the subject of
180 the audit is a specific entity contracting with the state or an
181 individual substantially affected, if the audit is not
182 confidential or otherwise exempt from disclosure by law, the
183 inspector general shall, consistent with s. 119.07(1), submit
184 the findings to the entity contracting with the state or the
185 individual substantially affected, who shall be advised in
186 writing that they may submit a written response within 20
187 working days after receipt of the findings. The response and the
188 inspector general's rebuttal to the response, if any, must be
189 included in the final audit report.

190 (f) The inspector general shall submit the final report to
191 the agency head, the Auditor General, and, for state agencies
192 under the jurisdiction of the Governor, the Chief Inspector
193 General.

194 (g) The Auditor General, in connection with the
195 independent postaudit of the same agency pursuant to s. 11.45,
196 shall give appropriate consideration to internal audit reports
197 and the resolution of findings therein. The Legislative Auditing
198 Committee may inquire into the reasons or justifications for
199 failure of the agency head to correct the deficiencies reported
200 in internal audits that are also reported by the Auditor General



201 and shall take appropriate action.

202 (h) The inspector general shall monitor the implementation
203 of the state agency's response to any report on the state agency
204 issued by the Auditor General or by the Office of Program Policy
205 Analysis and Government Accountability. No later than 6 months
206 after the Auditor General or the Office of Program Policy
207 Analysis and Government Accountability publishes a report on the
208 state agency, the inspector general shall provide a written
209 response to the agency head or, for state agencies under the
210 jurisdiction of the Governor, the Chief Inspector General on the
211 status of corrective actions taken. The inspector general shall
212 file a copy of such response with the Legislative Auditing
213 Committee.

214 (i) The inspector general shall develop long-term and
215 annual audit plans based on the findings of periodic risk
216 assessments. The plan, where appropriate, should include
217 postaudit samplings of payments and accounts. The plan shall
218 show the individual audits to be conducted during each year and
219 related resources to be devoted to the respective audits. The
220 Chief Financial Officer, to assist in fulfilling the
221 responsibilities for examining, auditing, and settling accounts,
222 claims, and demands pursuant to s. 17.03(1), and examining,
223 auditing, adjusting, and settling accounts pursuant to s. 17.04,
224 may use audits performed by the inspectors general and internal
225 auditors. For state agencies under the jurisdiction of the



226 Governor, the audit plans shall be submitted to the Chief
227 Inspector General. The plan shall be submitted to the agency
228 head for approval. A copy of the approved plan shall be
229 submitted to the Auditor General.

230 (7) (a) In carrying out the investigative duties and
231 responsibilities specified in this section, each inspector
232 general shall initiate, conduct, supervise, and coordinate
233 investigations designed to detect, deter, prevent, and eradicate
234 fraud, waste, mismanagement, misconduct, and other abuses in
235 state government. For these purposes, each inspector general
236 shall:

237 1.(a) Receive complaints and coordinate all activities of
238 the agency as required by the Whistle-blower's Act pursuant to
239 ss. 112.3187-112.31895.

240 2.(b) Receive and consider the complaints which do not
241 meet the criteria for an investigation under the Whistle-
242 blower's Act and conduct, supervise, or coordinate such
243 inquiries, investigations, or reviews as the inspector general
244 deems appropriate.

245 3.(e) Report expeditiously to the Department of Law
246 Enforcement or other law enforcement agencies, as appropriate,
247 whenever the inspector general has reasonable grounds to believe
248 there has been a violation of criminal law.

249 4.(d) Conduct investigations and other inquiries free of
250 actual or perceived impairment to the independence of the



251 inspector general or the inspector general's office. This shall
252 include freedom from any interference with investigations and
253 timely access to records and other sources of information.

254 ~~5.(e)~~ At the conclusion of each investigation in which the
255 subject of the investigation is a specific entity contracting
256 with the state or an individual substantially affected as
257 defined by this section, and if the investigation is not
258 confidential or otherwise exempt from disclosure by law, the
259 inspector general shall, consistent with s. 119.07(1), submit
260 findings to the subject that is a specific entity contracting
261 with the state or an individual substantially affected, who
262 shall be advised in writing that they may submit a written
263 response within 20 working days after receipt of the findings.
264 Such response and the inspector general's rebuttal to the
265 response, if any, shall be included in the final investigative
266 report.

267 ~~6.(f)~~ Submit in a timely fashion final reports on
268 investigations conducted by the inspector general to the agency
269 head, except for whistle-blower's investigations, which shall be
270 conducted and reported pursuant to s. 112.3189.

271 (b) The inspector general and his or her staff may take
272 and record testimony or statements of any person as reasonably
273 necessary for the furtherance of an investigation or review
274 undertaken by the inspector general.

275 (8)



276 (c) The final reports prepared pursuant to paragraphs (a)
277 and (b) shall be provided to the heads of the respective
278 agencies and, for state agencies under the jurisdiction of the
279 Governor, the Chief Inspector General. Such reports shall
280 include, but need not be limited to:

281 1. A description of activities relating to the
282 development, assessment, and validation of performance measures.

283 2. A description of significant abuses and deficiencies
284 relating to the administration of programs and operations of the
285 agency disclosed by investigations, audits, reviews, or other
286 activities during the reporting period.

287 3. A description of the recommendations for corrective
288 action made by the inspector general during the reporting period
289 with respect to significant problems, abuses, or deficiencies
290 identified.

291 4. The identification of each significant recommendation
292 described in previous annual reports on which corrective action
293 has not been completed.

294 5. A summary of each audit and investigation completed
295 during the reporting period.

296 6. Any increase or decrease in the total allocations or
297 total expenditures in the inspector general's budget for the
298 preceding state fiscal year compared to the total allocations or
299 total expenditures in the budget for the prior state fiscal year
300 and any increase or decrease in the number of permanent,



301 temporary, loaned, grant-funded, or full-time equivalent staff
302 within the office of the inspector general.

303 (10) Each agency inspector general shall, to the extent
304 both necessary and practicable, include on his or her staff
305 individuals with information technology ~~electronic data~~
306 ~~processing~~ auditing experience.

307 Section 4. Paragraph (a) of subsection (2) of section
308 20.121, Florida Statutes, is amended to read:

309 20.121 Department of Financial Services.—There is created
310 a Department of Financial Services.

311 (2) DIVISIONS.—The Department of Financial Services shall
312 consist of the following divisions and office:

313 (a) The Division of Accounting and Auditing. Any auditor
314 employed within the division is included in the Selected Exempt
315 Service as provided in chapter 110.

316 Section 5. This act shall take effect July 1, 2017.