



108026

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/14/2017	.	
	.	
	.	
	.	

---

The Committee on Community Affairs (Stargel) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Subsection (2) of section 11.40, Florida  
Statutes, is amended to read:

11.40 Legislative Auditing Committee.—

(2) Following notification by the Auditor General, the  
Department of Financial Services, ~~or~~ the Division of Bond  
Finance of the State Board of Administration, the Governor or



108026

11 his or her designee, or the Commissioner of Education or his or  
12 her designee of the failure of a local governmental entity,  
13 district school board, charter school, or charter technical  
14 career center to comply with the applicable provisions within s.  
15 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the  
16 Legislative Auditing Committee may schedule a hearing to  
17 determine if the entity should be subject to further state  
18 action. If the committee determines that the entity should be  
19 subject to further state action, the committee shall:

20 (a) In the case of a local governmental entity or district  
21 school board, direct the Department of Revenue and the  
22 Department of Financial Services to withhold any funds not  
23 pledged for bond debt service satisfaction which are payable to  
24 such entity until the entity complies with the law. The  
25 committee shall specify the date that such action must ~~shall~~  
26 begin, and the directive must be received by the Department of  
27 Revenue and the Department of Financial Services 30 days before  
28 the date of the distribution mandated by law. The Department of  
29 Revenue and the Department of Financial Services may implement  
30 ~~the provisions of~~ this paragraph.

31 (b) In the case of a special district created by:

32 1. A special act, notify the President of the Senate, the  
33 Speaker of the House of Representatives, the standing committees  
34 of the Senate and the House of Representatives charged with  
35 special district oversight as determined by the presiding  
36 officers of each respective chamber, the legislators who  
37 represent a portion of the geographical jurisdiction of the  
38 special district, and the Department of Economic Opportunity  
39 that the special district has failed to comply with the law.



108026

40 Upon receipt of notification, the Department of Economic  
41 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.  
42 If the special district remains in noncompliance after the  
43 process set forth in s. 189.0651, or if a public hearing is not  
44 held, the Legislative Auditing Committee may request the  
45 department to proceed pursuant to s. 189.067(3).

46 2. A local ordinance, notify the chair or equivalent of the  
47 local general-purpose government pursuant to s. 189.0652 and the  
48 Department of Economic Opportunity that the special district has  
49 failed to comply with the law. Upon receipt of notification, the  
50 department shall proceed pursuant to s. 189.062 or s. 189.067.  
51 If the special district remains in noncompliance after the  
52 process set forth in s. 189.0652, or if a public hearing is not  
53 held, the Legislative Auditing Committee may request the  
54 department to proceed pursuant to s. 189.067(3).

55 3. Any manner other than a special act or local ordinance,  
56 notify the Department of Economic Opportunity that the special  
57 district has failed to comply with the law. Upon receipt of  
58 notification, the department shall proceed pursuant to s.  
59 189.062 or s. 189.067(3).

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

63 Section 2. Subsection (1), paragraph (j) of subsection (2),  
64 paragraph (u) of subsection (3), and paragraph (i) of subsection  
65 (7) of section 11.45, Florida Statutes, are amended, and  
66 paragraph (x) is added to subsection (3) of that section, to  
67 read:

68 11.45 Definitions; duties; authorities; reports; rules.—



108026

69 (1) DEFINITIONS.—As used in ss. 11.40-11.51, the term:  
70 (a) “Abuse” means behavior that is deficient or improper  
71 when compared with behavior that a prudent person would consider  
72 a reasonable and necessary operational practice given the facts  
73 and circumstances. The term includes the misuse of authority or  
74 position for personal gain.  
75 (b) ~~(a)~~ “Audit” means a financial audit, operational audit,  
76 or performance audit.  
77 (c) ~~(b)~~ “County agency” means a board of county  
78 commissioners or other legislative and governing body of a  
79 county, however styled, including that of a consolidated or  
80 metropolitan government, a clerk of the circuit court, a  
81 separate or ex officio clerk of the county court, a sheriff, a  
82 property appraiser, a tax collector, a supervisor of elections,  
83 or any other officer in whom any portion of the fiscal duties of  
84 a body or officer expressly stated in this paragraph ~~the above~~  
85 ~~are under law~~ separately placed by law.  
86 (d) ~~(c)~~ “Financial audit” means an examination of financial  
87 statements in order to express an opinion on the fairness with  
88 which they are presented in conformity with generally accepted  
89 accounting principles and an examination to determine whether  
90 operations are properly conducted in accordance with legal and  
91 regulatory requirements. Financial audits must be conducted in  
92 accordance with auditing standards generally accepted in the  
93 United States and government auditing standards as adopted by  
94 the Board of Accountancy. When applicable, the scope of  
95 financial audits must ~~shall~~ encompass the additional activities  
96 necessary to establish compliance with the Single Audit Act  
97 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other



108026

98 applicable federal law.

99 (e) "Fraud" means obtaining something of value through  
100 willful misrepresentation, including, but not limited to, the  
101 intentional misstatements or intentional omissions of amounts or  
102 disclosures in financial statements to deceive users of  
103 financial statements, theft of an entity's assets, bribery, or  
104 the use of one's position for personal enrichment through the  
105 deliberate misuse or misapplication of an organization's  
106 resources.

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

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

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

117 (i)~~(g)~~ "Operational audit" means an audit whose purpose is  
118 to evaluate management's performance in establishing and  
119 maintaining internal controls, including controls designed to  
120 prevent and detect fraud, waste, and abuse, and in administering  
121 assigned responsibilities in accordance with applicable laws,  
122 administrative rules, contracts, grant agreements, and other  
123 guidelines. Operational audits must be conducted in accordance  
124 with government auditing standards. Such audits examine internal  
125 controls that are designed and placed in operation to promote  
126 and encourage the achievement of management's control objectives



108026

127 in the categories of compliance, economic and efficient  
128 operations, reliability of financial records and reports, and  
129 safeguarding of assets, and identify weaknesses in those  
130 internal controls.

131 (j)~~(h)~~ "Performance audit" means an examination of a  
132 program, activity, or function of a governmental entity,  
133 conducted in accordance with applicable government auditing  
134 standards or auditing and evaluation standards of other  
135 appropriate authoritative bodies. The term includes an  
136 examination of issues related to:

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

138 2. Structure or design of the program to accomplish its  
139 goals and objectives.

140 3. Adequacy of the program to meet the needs identified by  
141 the Legislature or governing body.

142 4. Alternative methods of providing program services or  
143 products.

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

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

148 7. Compliance of the program with appropriate policies,  
149 rules, or laws.

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

152 (k)~~(i)~~ "Political subdivision" means a separate agency or  
153 unit of local government created or established by law and  
154 includes, but is not limited to, the following and the officers  
155 thereof: authority, board, branch, bureau, city, commission,



108026

156 consolidated government, county, department, district,  
157 institution, metropolitan government, municipality, office,  
158 officer, public corporation, town, or village.

159 (1)~~(j)~~ "State agency" means a separate agency or unit of  
160 state government created or established by law and includes, but  
161 is not limited to, the following and the officers thereof:  
162 authority, board, branch, bureau, commission, department,  
163 division, institution, office, officer, or public corporation,  
164 as the case may be, except any such agency or unit within the  
165 legislative branch of state government other than the Florida  
166 Public Service Commission.

167 (m) "Waste" means the act of using or expending resources  
168 unreasonably, carelessly, extravagantly, or for no useful  
169 purpose.

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

171 (j) Conduct audits of local governmental entities when  
172 determined to be necessary by the Auditor General, when directed  
173 by the Legislative Auditing Committee, or when otherwise  
174 required by law. No later than 18 months after the release of  
175 the audit report, the Auditor General shall perform such  
176 appropriate followup procedures as he or she deems necessary to  
177 determine the audited entity's progress in addressing the  
178 findings and recommendations contained within the Auditor  
179 General's previous report. The Auditor General shall notify each  
180 member of the audited entity's governing body and the  
181 Legislative Auditing Committee of the results of his or her  
182 determination. For purposes of this paragraph, local  
183 governmental entities do not include water management districts.

184



108026

185 The Auditor General shall perform his or her duties  
186 independently but under the general policies established by the  
187 Legislative Auditing Committee. This subsection does not limit  
188 the Auditor General's discretionary authority to conduct other  
189 audits or engagements of governmental entities as authorized in  
190 subsection (3).

191 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The Auditor  
192 General may, pursuant to his or her own authority, or at the  
193 direction of the Legislative Auditing Committee, conduct audits  
194 or other engagements as determined appropriate by the Auditor  
195 General of:

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

197 (x) Tourist development councils and county tourism  
198 promotion agencies.

199 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

200 (i) The Auditor General shall annually transmit by July 15,  
201 to the President of the Senate, the Speaker of the House of  
202 Representatives, and the Department of Financial Services, a  
203 list of all school districts, charter schools, charter technical  
204 career centers, Florida College System institutions, state  
205 universities, and local governmental entities ~~water management~~  
206 ~~districts~~ that have failed to comply with the transparency  
207 requirements as identified in the audit reports reviewed  
208 pursuant to paragraph (b) and those conducted pursuant to  
209 subsection (2).

210 Section 3. Paragraph (d) of subsection (2) of section  
211 28.35, Florida Statutes, is amended to read:

212 28.35 Florida Clerks of Court Operations Corporation.—

213 (2) The duties of the corporation shall include the





108026

214 following:

215 (d) Developing and certifying a uniform system of workload  
216 measures and applicable workload standards for court-related  
217 functions as developed by the corporation and clerk workload  
218 performance in meeting the workload performance standards. These  
219 workload measures and workload performance standards shall be  
220 designed to facilitate an objective determination of the  
221 performance of each clerk in accordance with minimum standards  
222 for fiscal management, operational efficiency, and effective  
223 collection of fines, fees, service charges, and court costs. The  
224 corporation shall develop the workload measures and workload  
225 performance standards in consultation with the Legislature. When  
226 the corporation finds a clerk has not met the workload  
227 performance standards, the corporation shall identify the nature  
228 of each deficiency and any corrective action recommended and  
229 taken by the affected clerk of the court. For quarterly periods  
230 ending on the last day of March, June, September, and December  
231 of each year, the corporation shall notify the Legislature of  
232 any clerk not meeting workload performance standards and provide  
233 a copy of any corrective action plans. Such notifications shall  
234 be submitted no later than 45 days after the end of the  
235 preceding quarterly period. As used in this subsection, the  
236 term:

237 1. "Workload measures" means the measurement of the  
238 activities and frequency of the work required for the clerk to  
239 adequately perform the court-related duties of the office as  
240 defined by the membership of the Florida Clerks of Court  
241 Operations Corporation.

242 2. "Workload performance standards" means the standards



108026

243 developed to measure the timeliness and effectiveness of the  
244 activities that are accomplished by the clerk in the performance  
245 of the court-related duties of the office as defined by the  
246 membership of the Florida Clerks of Court Operations  
247 Corporation.

248 Section 4. Present subsections (6) and (7) of section  
249 43.16, Florida Statutes, are renumbered as subsections (7) and  
250 (8), respectively, and a new subsection (6) is added to that  
251 section to read:

252 43.16 Justice Administrative Commission; membership, powers  
253 and duties.—

254 (6) The commission, each state attorney, each public  
255 defender, the criminal conflict and civil regional counsel, the  
256 capital collateral regional counsel, and the Guardian Ad Litem  
257 Program shall establish and maintain internal controls designed  
258 to:

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

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

263 (c) Support economical and efficient operations.

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

265 (e) Safeguard assets.

266 Section 5. Subsection (6) of section 112.061, Florida  
267 Statutes, is amended to read:

268 112.061 Per diem and travel expenses of public officers,  
269 employees, and authorized persons.—

270 (6) RATES OF PER DIEM AND SUBSISTENCE ALLOWANCE.—For  
271 purposes of reimbursement rates and methods of calculation, per



108026

272 diem and subsistence allowances are provided as follows:

273 (a) All travelers shall be allowed for subsistence when  
274 traveling to a convention or conference or when traveling within  
275 or outside the state in order to conduct bona fide state  
276 business, which convention, conference, or business serves a  
277 direct and lawful public purpose with relation to the public  
278 agency served by the person attending such meeting or conducting  
279 such business, either of the following for each day of such  
280 travel at the option of the traveler:

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

286  
287 When lodging or meals are provided at a state institution, the  
288 traveler shall be reimbursed only for the actual expenses of  
289 such lodging or meals, not to exceed the maximum provided for in  
290 this subsection.

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

- 294 1. Breakfast \$6  
295 2. Lunch \$11  
296 3. Dinner \$19

297 (c) Actual expenses for lodging associated with the  
298 attendance of an employee of a state agency or the judicial  
299 branch at a meeting, conference, or convention organized or  
300 sponsored in whole or in part by a state agency or the judicial



108026

301 branch may not exceed \$150 per day. However, an employee may  
302 expend his or her own funds for any lodging expenses that exceed  
303 \$150 per day.

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

307 Section 6. Paragraph (c) of subsection (3) of section  
308 129.03, Florida Statutes, is amended to read:

309 129.03 Preparation and adoption of budget.—

310 (3) The county budget officer, after tentatively  
311 ascertaining the proposed fiscal policies of the board for the  
312 next fiscal year, shall prepare and present to the board a  
313 tentative budget for the next fiscal year for each of the funds  
314 provided in this chapter, including all estimated receipts,  
315 taxes to be levied, and balances expected to be brought forward  
316 and all estimated expenditures, reserves, and balances to be  
317 carried over at the end of the year.

318 (c) The board shall hold public hearings to adopt tentative  
319 and final budgets pursuant to s. 200.065. The hearings shall be  
320 primarily for the purpose of hearing requests and complaints  
321 from the public regarding the budgets and the proposed tax  
322 levies and for explaining the budget and any proposed or adopted  
323 amendments. The tentative budget must be posted on the county's  
324 official website at least 2 days before the public hearing to  
325 consider such budget and must remain on the website for at least  
326 45 days. The final budget must be posted on the website within  
327 30 days after adoption and must remain on the website for at  
328 least 2 years. The tentative budgets, adopted tentative budgets,  
329 and final budgets shall be filed in the office of the county



108026

330 auditor as a public record. Sufficient reference in words and  
331 figures to identify the particular transactions must ~~shall~~ be  
332 made in the minutes of the board to record its actions with  
333 reference to the budgets.

334 Section 7. Paragraph (f) of subsection (2) of section  
335 129.06, Florida Statutes, is amended to read:

336 129.06 Execution and amendment of budget.-

337 (2) The board at any time within a fiscal year may amend a  
338 budget for that year, and may within the first 60 days of a  
339 fiscal year amend the budget for the prior fiscal year, as  
340 follows:

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

346 1. The public hearing must be advertised at least 2 days,  
347 but not more than 5 days, before the date of the hearing. The  
348 advertisement must appear in a newspaper of paid general  
349 circulation and must identify the name of the taxing authority,  
350 the date, place, and time of the hearing, and the purpose of the  
351 hearing. The advertisement must also identify each budgetary  
352 fund to be amended, the source of the funds, the use of the  
353 funds, and the total amount of each fund's appropriations.

354 2. If the board amends the budget pursuant to this  
355 paragraph, the adopted amendment must be posted on the county's  
356 official website within 5 days after adoption and must remain on  
357 the website for at least 2 years.

358 Section 8. Subsections (3) and (5) of section 166.241,



108026

359 Florida Statutes, are amended to read:

360 166.241 Fiscal years, budgets, and budget amendments.—

361 (3) The tentative budget must be posted on the  
362 municipality's official website at least 2 days before the  
363 budget hearing, held pursuant to s. 200.065 or other law, to  
364 consider such budget and must remain on the website for at least  
365 45 days. The final adopted budget must be posted on the  
366 municipality's official website within 30 days after adoption  
367 and must remain on the website for at least 2 years. If the  
368 municipality does not operate an official website, the  
369 municipality must, within a reasonable period of time as  
370 established by the county or counties in which the municipality  
371 is located, transmit the tentative budget and final budget to  
372 the manager or administrator of such county or counties who  
373 shall post the budgets on the county's website.

374 (5) If the governing body of a municipality amends the  
375 budget pursuant to paragraph (4)(c), the adopted amendment must  
376 be posted on the official website of the municipality within 5  
377 days after adoption and must remain on the website for at least  
378 2 years. If the municipality does not operate an official  
379 website, the municipality must, within a reasonable period of  
380 time as established by the county or counties in which the  
381 municipality is located, transmit the adopted amendment to the  
382 manager or administrator of such county or counties who shall  
383 post the adopted amendment on the county's website.

384 Section 9. Section 215.86, Florida Statutes, is amended to  
385 read:

386 215.86 Management systems and controls.—Each state agency  
387 and the judicial branch as defined in s. 216.011 shall establish



108026

388 and maintain management systems and internal controls designed  
389 to:

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

392 (2) Promote and encourage compliance with applicable laws,  
393 rules, contracts, and grant agreements. ~~†~~

394 (3) Support economical and economic, efficient, ~~and~~  
395 ~~effective operations.~~ ~~†~~

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

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

400 Section 10. Paragraph (a) of subsection (2) of section  
401 215.97, Florida Statutes, is amended to read:

402 215.97 Florida Single Audit Act.—

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

404 (a) "Audit threshold" means the threshold amount used to  
405 determine when a state single audit or project-specific audit of  
406 a nonstate entity shall be conducted in accordance with this  
407 section. Each nonstate entity that expends a total amount of  
408 state financial assistance equal to or in excess of \$750,000 in  
409 any fiscal year of such nonstate entity shall be required to  
410 have a state single audit, ~~†~~ or a project-specific audit, ~~†~~ for such  
411 fiscal year in accordance with the requirements of this section.  
412 ~~Every 2 years the Auditor General, †~~ After consulting with the  
413 Executive Office of the Governor, the Department of Financial  
414 Services, and all state awarding agencies, the Auditor General  
415 shall periodically review the threshold amount for requiring  
416 audits under this section and may recommend any appropriate



108026

417 statutory change to revise the threshold amount in the annual  
418 report submitted pursuant to s. 11.45(7)(h) to the Legislature  
419 ~~adjust such threshold amount consistent with the purposes of~~  
420 ~~this section.~~

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

423 215.985 Transparency in government spending.—

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

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

431 218.32 Annual financial reports; local governmental  
432 entities.—

433 (1)

434 (d) Each local governmental entity that is required to  
435 provide for an audit under s. 218.39(1) must submit a copy of  
436 the audit report and annual financial report to the department  
437 within 45 days after the completion of the audit report but no  
438 later than 9 months after the end of the fiscal year. In  
439 conducting an audit of a local governmental entity pursuant to  
440 s. 218.39, an independent certified public accountant shall  
441 determine whether the entity's annual financial report is in  
442 agreement with the audited financial statements. If the audited  
443 financial statements are not in agreement with the annual  
444 financial report, the accountant shall specify and explain the  
445 significant differences that exist between the audited financial





108026

446 statements and the annual financial report.

447 (2) The department shall annually by December 1 file a  
448 verified report with the Governor, the Legislature, the Auditor  
449 General, and the Special District Accountability Program of the  
450 Department of Economic Opportunity showing the revenues, both  
451 locally derived and derived from intergovernmental transfers,  
452 and the expenditures of each local governmental entity, regional  
453 planning council, local government finance commission, and  
454 municipal power corporation that is required to submit an annual  
455 financial report. In preparing the verified report, the  
456 department may request additional information from the local  
457 governmental entity. The information requested must be provided  
458 to the department within 45 days after the request. If the local  
459 governmental entity does not comply with the request, the  
460 department shall notify the Legislative Auditing Committee,  
461 which may take action pursuant to s. 11.40(2). The report must  
462 include, but is not limited to:

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

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

471 Section 13. Present subsection (3) of section 218.33,  
472 Florida Statutes, is renumbered as subsection (4), and a new  
473 subsection (3) is added to that section to read:

474 218.33 Local governmental entities; establishment of



108026

475 uniform fiscal years and accounting practices and procedures.-

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

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

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

482 (c) Support economical and efficient operations.

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

484 (e) Safeguard assets.

485 Section 14. Present subsections (8) through (12) of section  
486 218.39, Florida Statutes, are renumbered as subsections (9)  
487 through (13), respectively, and a new subsection (8) is added to  
488 that section to read:

489 218.39 Annual financial audit reports.-

490 (8) If the audit report includes a recommendation that was  
491 included in the preceding financial audit report but remains  
492 unaddressed, the governing body of the audited entity, within 60  
493 days after the delivery of the audit report to the governing  
494 body, shall indicate during a regularly scheduled public meeting  
495 whether it intends to take corrective action, the intended  
496 corrective action, and the timeframe for the corrective action.  
497 If the governing body indicates that it does not intend to take  
498 corrective action, it must explain its decision at the public  
499 meeting.

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

502 218.391 Auditor selection procedures.-

503 (2) The governing body of a ~~charter~~ county, municipality,



108026

504 special district, district school board, charter school, or  
505 charter technical career center shall establish an audit  
506 committee.

507 (a) The audit committee for a county ~~Each noncharter county~~  
508 ~~shall establish an audit committee that,~~ at a minimum, shall  
509 consist of each of the county officers elected pursuant to the  
510 county charter or s. 1(d), Art. VIII of the State Constitution,  
511 or their respective designees ~~a designee,~~ and one member of the  
512 board of county commissioners or its designee.

513 (b) The audit committee for a municipality, special  
514 district, district school board, charter school, or charter  
515 technical career center shall consist of at least three members.  
516 One member of the audit committee must be a member of the  
517 governing body of an entity specified in this paragraph, who  
518 shall also serve as the chair of the committee.

519 (c) An employee, the chief executive officer, or the chief  
520 financial officer of the county, municipality, special district,  
521 district school board, charter school, or charter technical  
522 career center may not serve as a member of an audit committee  
523 established under this subsection.

524 (d) The primary purpose of the audit committee is to assist  
525 the governing body in selecting an auditor to conduct the annual  
526 financial audit required in s. 218.39; however, the audit  
527 committee may serve other audit oversight purposes as determined  
528 by the entity's governing body. The public may ~~shall~~ not be  
529 excluded from the proceedings under this section.

530 Section 16. Subsection (2) of section 286.0114, Florida  
531 Statutes, is amended to read:

532 286.0114 Public meetings; reasonable opportunity to be



108026

533 heard; attorney fees.-

534 (2) Members of the public shall be given a reasonable  
535 opportunity to be heard on a proposition before a board or  
536 commission. The opportunity to be heard need not occur at the  
537 same meeting at which the board or commission takes official  
538 action on the proposition if the opportunity occurs at a meeting  
539 that is during the decisionmaking process and is within  
540 reasonable proximity in time before the meeting at which the  
541 board or commission takes the official action. A board or  
542 commission may not require a member of the public to provide an  
543 advance written copy of his or her testimony or comments as a  
544 condition of being given the opportunity to be heard at a  
545 meeting. This section does not prohibit a board or commission  
546 from maintaining orderly conduct or proper decorum in a public  
547 meeting. The opportunity to be heard is subject to rules or  
548 policies adopted by the board or commission, as provided in  
549 subsection (4).

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

553 373.536 District budget and hearing thereon.-

554 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.-

555 (e) ~~By September 1, 2012,~~ Each district shall provide a  
556 monthly financial statement in the form and manner prescribed by  
557 the Department of Financial Services to the district's governing  
558 board and make such monthly financial statement available for  
559 public access on its website.

560 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND  
561 APPROVAL.-



108026

562 (d) Each district shall, by August 1 of each year, submit  
563 for review a tentative budget and a description of any  
564 significant changes from the preliminary budget submitted to the  
565 Legislature pursuant to s. 373.535 to the Governor, the  
566 President of the Senate, the Speaker of the House of  
567 Representatives, the chairs of all legislative committees and  
568 subcommittees having substantive or fiscal jurisdiction over  
569 water management districts, as determined by the President of  
570 the Senate or the Speaker of the House of Representatives, as  
571 applicable, the secretary of the department, and the governing  
572 body of each county in which the district has jurisdiction or  
573 derives any funds for the operations of the district. The  
574 tentative budget must be posted on the district's official  
575 website at least 2 days before budget hearings held pursuant to  
576 s. 200.065 or other law and must remain on the website for at  
577 least 45 days.

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

580 (d) The final adopted budget must be posted on the water  
581 management district's official website within 30 days after  
582 adoption and must remain on the website for at least 2 years.

583 Section 18. Paragraph (1) of subsection (12) of section  
584 1001.42, Florida Statutes, is amended to read:

585 1001.42 Powers and duties of district school board.—The  
586 district school board, acting as a board, shall exercise all  
587 powers and perform all duties listed below:

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



108026

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

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

597 2. Compliance with applicable laws, rules, contracts, grant  
598 agreements, district school board-approved policies, and best  
599 practices.

600 3. The efficiency of operations.

601 4. The reliability of financial records and reports.

602 5. The safeguarding of assets.

603

604 The internal auditor shall report directly to the district  
605 school board or its designee.

606 Section 19. Paragraph (j) of subsection (9) of section  
607 1002.33, Florida Statutes, is amended to read:

608 1002.33 Charter schools.—

609 (9) CHARTER SCHOOL REQUIREMENTS.—

610 (j) The governing body of the charter school shall be  
611 responsible for:

612 1. Establishing and maintaining internal controls designed  
613 to:

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

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

618 c. Support economical and efficient operations.

619 d. Ensure reliability of financial records and reports.



108026

620 e. Safeguard assets.

621 ~~2.1.~~ Ensuring that the charter school has retained the  
622 services of a certified public accountant or auditor for the  
623 annual financial audit, pursuant to s. 1002.345(2), who shall  
624 submit the report to the governing body.

625 ~~3.2.~~ Reviewing and approving the audit report, including  
626 audit findings and recommendations for the financial recovery  
627 plan.

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

630 b. Monitoring a financial recovery plan in order to ensure  
631 compliance.

632 ~~5.4.~~ Participating in governance training approved by the  
633 department which must include government in the sunshine,  
634 conflicts of interest, ethics, and financial responsibility.

635 Section 20. Present subsections (6) through (10) of section  
636 1002.37, Florida Statutes, are renumbered as subsections (7)  
637 through (11), respectively, a new subsection (6) is added to  
638 that section, and present subsections (6) and (11) of that  
639 section are amended, to read:

640 1002.37 The Florida Virtual School.—

641 (6) The Florida Virtual School shall have an annual  
642 financial audit of its accounts and records conducted by an  
643 independent auditor who is a certified public accountant  
644 licensed under chapter 473. The independent auditor shall  
645 conduct the audit in accordance with rules adopted by the  
646 Auditor General pursuant to s. 11.45 and, upon completion of the  
647 audit, shall prepare an audit report in accordance with such  
648 rules. The audit report must include a written statement by the



108026

649 board of trustees describing corrective action to be taken in  
650 response to each of the recommendations of the independent  
651 auditor included in the audit report. The independent auditor  
652 shall submit the audit report to the board of trustees and the  
653 Auditor General no later than 9 months after the end of the  
654 preceding fiscal year.

655 (7)~~(6)~~ The board of trustees shall annually submit to the  
656 Governor, the Legislature, the Commissioner of Education, and  
657 the State Board of Education the audit report prepared pursuant  
658 to subsection (6) and a complete and detailed report setting  
659 forth:

660 (a) The operations and accomplishments of the Florida  
661 Virtual School within the state and those occurring outside the  
662 state as Florida Virtual School Global.

663 (b) The marketing and operational plan for the Florida  
664 Virtual School and Florida Virtual School Global, including  
665 recommendations regarding methods for improving the delivery of  
666 education through the Internet and other distance learning  
667 technology.

668 (c) The assets and liabilities of the Florida Virtual  
669 School and Florida Virtual School Global at the end of the  
670 fiscal year.

671 ~~(d) A copy of an annual financial audit of the accounts and~~  
672 ~~records of the Florida Virtual School and Florida Virtual School~~  
673 ~~Global, conducted by an independent certified public accountant~~  
674 ~~and performed in accordance with rules adopted by the Auditor~~  
675 ~~General.~~

676 (d)~~(e)~~ Recommendations regarding the unit cost of providing  
677 services to students through the Florida Virtual School and





108026

678 Florida Virtual School Global. In order to most effectively  
679 develop public policy regarding any future funding of the  
680 Florida Virtual School, it is imperative that the cost of the  
681 program is accurately identified. The identified cost of the  
682 program must be based on reliable data.

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

686 ~~(11) The Auditor General shall conduct an operational audit~~  
687 ~~of the Florida Virtual School, including Florida Virtual School~~  
688 ~~Global. The scope of the audit shall include, but not be limited~~  
689 ~~to, the administration of responsibilities relating to~~  
690 ~~personnel; procurement and contracting; revenue production;~~  
691 ~~school funds, including internal funds; student enrollment~~  
692 ~~records; franchise agreements; information technology~~  
693 ~~utilization, assets, and security; performance measures and~~  
694 ~~standards; and accountability. The final report on the audit~~  
695 ~~shall be submitted to the President of the Senate and the~~  
696 ~~Speaker of the House of Representatives no later than January~~  
697 ~~31, 2014.~~

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

700 1010.01 Uniform records and accounts.—

701 (5) Each school district, Florida College System  
702 institution, and state university shall establish and maintain  
703 internal controls designed to:

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

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



108026

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

708 (c) Support economical and efficient operations.

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

710 (e) Safeguard assets.

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

713 1010.30 Audits required.—

714 (2) If a school district, Florida College System

715 institution, or university audit report includes a

716 recommendation that was included in the preceding financial

717 audit report but remains unaddressed ~~an audit contains a~~

718 ~~significant finding~~, the district school board, the Florida

719 College System institution board of trustees, or the university

720 board of trustees, within 60 days after the delivery of the

721 audit report to the school district, Florida College System

722 institution, or university, shall indicate ~~conduct an audit~~

723 ~~overview~~ during a regularly scheduled public meeting whether it

724 intends to take corrective action, the intended corrective

725 action, and the timeframe for the corrective action. If the

726 district school board, Florida College System institution board

727 of trustees, or university board of trustees indicates that it

728 does not intend to take corrective action, it shall explain its

729 decision at the public meeting.

730 Section 23. Subsection (3) of section 218.503, Florida  
731 Statutes, is amended to read:

732 218.503 Determination of financial emergency.—

733 (3) Upon notification that one or more of the conditions in

734 subsection (1) have occurred or will occur if action is not

735 taken to assist the local governmental entity or district school



108026

736 board, the Governor or his or her designee shall contact the  
737 local governmental entity or the Commissioner of Education or  
738 his or her designee shall contact the district school board, as  
739 appropriate, to determine what actions have been taken by the  
740 local governmental entity or the district school board to  
741 resolve or prevent the condition. The information requested must  
742 be provided within 45 days after the date of the request. If the  
743 local governmental entity or the district school board does not  
744 comply with the request, the Governor or his or her designee or  
745 the Commissioner of Education or his or her designee shall  
746 notify ~~the members of~~ the Legislative Auditing Committee, which  
747 ~~who~~ may take action pursuant to s. 11.40(2) ~~11.40~~. The Governor  
748 or the Commissioner of Education, as appropriate, shall  
749 determine whether the local governmental entity or the district  
750 school board needs state assistance to resolve or prevent the  
751 condition. If state assistance is needed, the local governmental  
752 entity or district school board is considered to be in a state  
753 of financial emergency. The Governor or the Commissioner of  
754 Education, as appropriate, has the authority to implement  
755 measures as set forth in ss. 218.50-218.504 to assist the local  
756 governmental entity or district school board in resolving the  
757 financial emergency. Such measures may include, but are not  
758 limited to:

759 (a) Requiring approval of the local governmental entity's  
760 budget by the Governor or approval of the district school  
761 board's budget by the Commissioner of Education.

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

764 (c) Prohibiting a local governmental entity or district



108026

765 school board from issuing bonds, notes, certificates of  
766 indebtedness, or any other form of debt until such time as it is  
767 no longer subject to this section.

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

772 (e) Consulting with officials and auditors of the local  
773 governmental entity or the district school board and the  
774 appropriate state officials regarding any steps necessary to  
775 bring the books of account, accounting systems, financial  
776 procedures, and reports into compliance with state requirements.

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

779 (g)1. Establishing a financial emergency board to oversee  
780 the activities of the local governmental entity or the district  
781 school board. If a financial emergency board is established for  
782 a local governmental entity, the Governor shall appoint board  
783 members and select a chair. If a financial emergency board is  
784 established for a district school board, the State Board of  
785 Education shall appoint board members and select a chair. The  
786 financial emergency board shall adopt such rules as are  
787 necessary for conducting board business. The board may:

788 a. Make such reviews of records, reports, and assets of the  
789 local governmental entity or the district school board as are  
790 needed.

791 b. Consult with officials and auditors of the local  
792 governmental entity or the district school board and the  
793 appropriate state officials regarding any steps necessary to



108026

794 bring the books of account, accounting systems, financial  
795 procedures, and reports of the local governmental entity or the  
796 district school board into compliance with state requirements.

797 c. Review the operations, management, efficiency,  
798 productivity, and financing of functions and operations of the  
799 local governmental entity or the district school board.

800 d. Consult with other governmental entities for the  
801 consolidation of all administrative direction and support  
802 services, including, but not limited to, services for asset  
803 sales, economic and community development, building inspections,  
804 parks and recreation, facilities management, engineering and  
805 construction, insurance coverage, risk management, planning and  
806 zoning, information systems, fleet management, and purchasing.

807 2. The recommendations and reports made by the financial  
808 emergency board must be submitted to the Governor for local  
809 governmental entities or to the Commissioner of Education and  
810 the State Board of Education for district school boards for  
811 appropriate action.

812 (h) Requiring and approving a plan, to be prepared by  
813 officials of the local governmental entity or the district  
814 school board in consultation with the appropriate state  
815 officials, prescribing actions that will cause the local  
816 governmental entity or district school board to no longer be  
817 subject to this section. The plan must include, but need not be  
818 limited to:

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

822 2. Establishment of priority budgeting or zero-based



108026

823 budgeting in order to eliminate items that are not affordable.

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

826         4. Provisions implementing the consolidation, sourcing, or  
827 discontinuance of all administrative direction and support  
828 services, including, but not limited to, services for asset  
829 sales, economic and community development, building inspections,  
830 parks and recreation, facilities management, engineering and  
831 construction, insurance coverage, risk management, planning and  
832 zoning, information systems, fleet management, and purchasing.

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

835         1002.455 Student eligibility for K-12 virtual instruction.—

836         (2) A student is eligible to participate in virtual  
837 instruction if:

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

842         (b) The student is a dependent child of a member of the  
843 United States Armed Forces who was transferred within the last  
844 12 months to this state from another state or from a foreign  
845 country pursuant to a permanent change of station order;

846         (c) The student was enrolled during the prior school year  
847 in a virtual instruction program under s. 1002.45 or a full-time  
848 Florida Virtual School program under s. 1002.37(9)(a)  
849 ~~1002.37(8)(a)~~;

850         (d) The student has a sibling who is currently enrolled in  
851 a virtual instruction program and the sibling was enrolled in



108026

852 that program at the end of the prior school year;

853 (e) The student is eligible to enter kindergarten or first  
854 grade; or

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

858 Section 25. The Legislature finds that a proper and  
859 legitimate state purpose is served when internal controls are  
860 established to prevent and detect fraud, waste, and abuse and to  
861 safeguard and account for government funds and property.

862 Therefore, the Legislature determines and declares that this act  
863 fulfills an important state interest.

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

865  
866 ===== T I T L E A M E N D M E N T =====

867 And the title is amended as follows:

868 Delete everything before the enacting clause  
869 and insert:

870 A bill to be entitled  
871 An act relating to government accountability; amending  
872 s. 11.40, F.S.; specifying that the Governor, the  
873 Commissioner of Education, or the designee of the  
874 Governor or of the commissioner may notify the  
875 Legislative Auditing Committee of an entity's failure  
876 to comply with certain auditing and financial  
877 reporting requirements; amending s. 11.45, F.S.;  
878 defining the terms "abuse," "fraud," and "waste";  
879 revising the definition of the term "local  
880 governmental entity"; excluding water management



108026

881 districts from certain audit requirements; removing a  
882 cross-reference; authorizing the Auditor General to  
883 conduct audits of tourist development councils and  
884 county tourism promotion agencies; revising reporting  
885 requirements applicable to the Auditor General;  
886 amending s. 28.35, F.S.; revising reporting  
887 requirements applicable to the Florida Clerks of Court  
888 Operations Corporation; amending s. 43.16, F.S.;  
889 revising the responsibilities of the Justice  
890 Administrative Commission, each state attorney, each  
891 public defender, the criminal conflict and civil  
892 regional counsel, the capital collateral regional  
893 counsel, and the Guardian Ad Litem Program, to include  
894 the establishment and maintenance of certain internal  
895 controls; amending s. 112.061, F.S.; revising certain  
896 lodging rates for the purpose of reimbursement to  
897 specified employees; authorizing an employee to expend  
898 his or her funds for certain lodging expenses;  
899 amending ss. 129.03, 129.06, and 166.241, F.S.;  
900 requiring counties and municipalities to maintain  
901 certain budget documents on the entities' websites for  
902 a specified period; amending s. 215.86, F.S.; revising  
903 the purposes for which management systems and internal  
904 controls must be established and maintained by each  
905 state agency and the judicial branch; amending s.  
906 215.97, F.S.; revising certain audit threshold  
907 requirements; amending s. 215.985, F.S.; revising the  
908 requirements for a monthly financial statement  
909 provided by a water management district; amending s.





108026

910 218.32, F.S.; revising the requirements for the annual  
911 financial audit report of a local governmental entity;  
912 authorizing the Department of Financial Services to  
913 request additional information from a local  
914 governmental entity; requiring a local governmental  
915 entity to respond to such requests within a specified  
916 timeframe; requiring the department to notify the  
917 Legislative Auditing Committee of noncompliance;  
918 amending s. 218.33, F.S.; requiring local governmental  
919 entities to establish and maintain internal controls  
920 to achieve specified purposes; amending s. 218.39,  
921 F.S.; requiring an audited entity to respond to audit  
922 recommendations under specified circumstances;  
923 amending s. 218.391, F.S.; revising the membership of  
924 the audit committee of certain governing bodies;  
925 prohibiting an audit committee member from being an  
926 employee, a chief executive officer, or a chief  
927 financial officer of the respective governmental  
928 entity; amending s. 286.0114, F.S.; prohibiting a  
929 board or commission from requiring an advance copy of  
930 testimony or comments from a member of the public as a  
931 precondition to being given the opportunity to be  
932 heard at a public meeting; amending s. 373.536, F.S.;  
933 deleting obsolete language; requiring water management  
934 districts to maintain certain budget documents on the  
935 districts' websites for a specified period; amending  
936 s. 1001.42, F.S.; authorizing additional internal  
937 audits as directed by the district school board;  
938 amending s. 1002.33, F.S.; revising the



108026

939 responsibilities of the governing board of a charter  
940 school to include the establishment and maintenance of  
941 internal controls; removing obsolete provisions;  
942 amending s. 1002.37, F.S.; requiring completion of an  
943 annual financial audit of the Florida Virtual School;  
944 specifying audit requirements; requiring an audit  
945 report to be submitted to the board of trustees of the  
946 Florida Virtual School and the Auditor General;  
947 deleting obsolete provisions; amending s. 1010.01,  
948 F.S.; requiring each school district, Florida College  
949 System institution, and state university to establish  
950 and maintain certain internal controls; amending s.  
951 1010.30, F.S.; requiring a district school board,  
952 Florida College System institution board of trustees,  
953 or university board of trustees to respond to audit  
954 recommendations under certain circumstances; amending  
955 ss. 218.503 and 1002.455, F.S.; conforming provisions  
956 and cross-references to changes made by the act;  
957 declaring that the act fulfills an important state  
958 interest; providing an effective date.