

By Senator Stargel

22-00793-17

2017880\_\_

1                   A bill to be entitled  
2           An act relating to government accountability; amending  
3           s. 11.40, F.S.; specifying that the Governor, the  
4           Commissioner of Education, or the designee of the  
5           Governor or of the commissioner may notify the  
6           Legislative Auditing Committee of an entity's failure  
7           to comply with certain auditing and financial  
8           reporting requirements; amending s. 11.45, F.S.;  
9           defining the terms "abuse," "fraud," and "waste";  
10          revising definitions; removing a cross-reference;  
11          authorizing the Auditor General to conduct audits of  
12          tourist development councils and county tourism  
13          promotion agencies; revising reporting requirements  
14          applicable to the Auditor General; amending s. 43.16,  
15          F.S.; revising the responsibilities of the Justice  
16          Administrative Commission, each state attorney, each  
17          public defender, the criminal conflict and civil  
18          regional counsel, the capital collateral regional  
19          counsel, and the Guardian Ad Litem Program to include  
20          the establishment and maintenance of certain internal  
21          controls; amending ss. 129.03, 129.06, and 166.241,  
22          F.S.; requiring counties and municipalities to  
23          maintain certain budget documents on the entities'  
24          websites for a specified period; amending s. 215.86,  
25          F.S.; revising the purposes for which management  
26          systems and internal controls must be established and  
27          maintained by each state agency and the judicial  
28          branch; amending s. 215.97, F.S.; revising certain  
29          audit threshold requirements; amending s. 215.985,  
30          F.S.; revising the requirements for a monthly  
31          financial statement provided by a water management  
32          district; amending s. 218.32, F.S.; revising the

22-00793-17

2017880\_\_

33 requirements of the annual financial audit report of a  
34 local governmental entity; authorizing the Department  
35 of Financial Services to request additional  
36 information from a local governmental entity;  
37 requiring a local governmental entity to respond to  
38 such requests within a specified timeframe; requiring  
39 the department to notify the Legislative Auditing  
40 Committee of noncompliance; amending s. 218.33, F.S.;  
41 requiring local governmental entities to establish and  
42 maintain internal controls to achieve specified  
43 purposes; amending s. 218.39, F.S.; requiring an  
44 audited entity to respond to audit recommendations  
45 under specified circumstances; amending s. 286.0114,  
46 F.S.; prohibiting a board or commission from requiring  
47 an advance copy of testimony or comments from a member  
48 of the public as a precondition to being given the  
49 opportunity to be heard at a public meeting; amending  
50 s. 373.536, F.S.; deleting obsolete language;  
51 requiring water management districts to maintain  
52 certain budget documents on the districts' websites  
53 for a specified period; amending s. 1001.42, F.S.;  
54 authorizing additional internal audits as directed by  
55 the district school board; amending s. 1002.33, F.S.;  
56 revising the responsibilities of the governing board  
57 of a charter school to include the establishment and  
58 maintenance of internal controls; amending s. 1010.01,  
59 F.S.; requiring each school district, Florida College  
60 System institution, and state university to establish  
61 and maintain certain internal controls; amending s.

22-00793-17

2017880\_\_

62 1010.30, F.S.; requiring a district school board,  
63 Florida College System institution board of trustees,  
64 or university board of trustees to respond to audit  
65 recommendations under certain circumstances; declaring  
66 that the act fulfills an important state interest;  
67 providing an effective date.  
68

69 Be It Enacted by the Legislature of the State of Florida:  
70

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

73 11.40 Legislative Auditing Committee.—

74 (2) Following notification by the Auditor General, the  
75 Department of Financial Services, ~~or~~ the Division of Bond  
76 Finance of the State Board of Administration, the Governor or  
77 his or her designee, or the Commissioner of Education or his or  
78 her designee of the failure of a local governmental entity,  
79 district school board, charter school, or charter technical  
80 career center to comply with the applicable provisions within s.  
81 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the  
82 Legislative Auditing Committee may schedule a hearing to  
83 determine if the entity should be subject to further state  
84 action. If the committee determines that the entity should be  
85 subject to further state action, the committee shall:

86 (a) In the case of a local governmental entity or district  
87 school board, direct the Department of Revenue and the  
88 Department of Financial Services to withhold any funds not  
89 pledged for bond debt service satisfaction which are payable to  
90 such entity until the entity complies with the law. The

22-00793-17

2017880\_\_

91 committee shall specify the date that such action must ~~shall~~  
92 begin, and the directive must be received by the Department of  
93 Revenue and the Department of Financial Services 30 days before  
94 the date of the distribution mandated by law. The Department of  
95 Revenue and the Department of Financial Services may implement  
96 ~~the provisions of~~ this paragraph.

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

98 1. A special act, notify the President of the Senate, the  
99 Speaker of the House of Representatives, the standing committees  
100 of the Senate and the House of Representatives charged with  
101 special district oversight as determined by the presiding  
102 officers of each respective chamber, the legislators who  
103 represent a portion of the geographical jurisdiction of the  
104 special district, and the Department of Economic Opportunity  
105 that the special district has failed to comply with the law.  
106 Upon receipt of notification, the Department of Economic  
107 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.  
108 If the special district remains in noncompliance after the  
109 process set forth in s. 189.0651, or if a public hearing is not  
110 held, the Legislative Auditing Committee may request the  
111 department to proceed pursuant to s. 189.067(3).

112 2. A local ordinance, notify the chair or equivalent of the  
113 local general-purpose government pursuant to s. 189.0652 and the  
114 Department of Economic Opportunity that the special district has  
115 failed to comply with the law. Upon receipt of notification, the  
116 department shall proceed pursuant to s. 189.062 or s. 189.067.  
117 If the special district remains in noncompliance after the  
118 process set forth in s. 189.0652, or if a public hearing is not  
119 held, the Legislative Auditing Committee may request the

22-00793-17

2017880\_\_

120 department to proceed pursuant to s. 189.067(3).

121 3. Any manner other than a special act or local ordinance,  
122 notify the Department of Economic Opportunity that the special  
123 district has failed to comply with the law. Upon receipt of  
124 notification, the department shall proceed pursuant to s.  
125 189.062 or s. 189.067(3).

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

129 Section 2. Subsection (1), paragraph (u) of subsection (3),  
130 and paragraph (i) of subsection (7) of section 11.45, Florida  
131 Statutes, are amended, and paragraph (x) is added to subsection  
132 (3) of that section, to read:

133 11.45 DEFINITIONS; duties; authorities; reports; rules.—

134 (1) DEFINITIONS.—As used in ss. 11.40-11.51, the term:

135 (a) "Abuse" means behavior that is deficient or improper  
136 when compared with behavior that a prudent person would consider  
137 a reasonable and necessary operational practice given the facts  
138 and circumstances. The term includes the misuse of authority or  
139 position for personal gain.

140 (b)~~(a)~~ "Audit" means a financial audit, operational audit,  
141 or performance audit.

142 (c)~~(b)~~ "County agency" means a board of county  
143 commissioners or other legislative and governing body of a  
144 county, however styled, including that of a consolidated or  
145 metropolitan government, a clerk of the circuit court, a  
146 separate or ex officio clerk of the county court, a sheriff, a  
147 property appraiser, a tax collector, a supervisor of elections,  
148 or any other officer in whom any portion of the fiscal duties of

22-00793-17

2017880\_\_

149 a body or officer expressly stated in this paragraph are the  
150 ~~above are under law~~ separately placed by law.

151 (d)~~(e)~~ "Financial audit" means an examination of financial  
152 statements in order to express an opinion on the fairness with  
153 which they are presented in conformity with generally accepted  
154 accounting principles and an examination to determine whether  
155 operations are properly conducted in accordance with legal and  
156 regulatory requirements. Financial audits must be conducted in  
157 accordance with auditing standards generally accepted in the  
158 United States and government auditing standards as adopted by  
159 the Board of Accountancy. When applicable, the scope of  
160 financial audits must ~~shall~~ encompass the additional activities  
161 necessary to establish compliance with the Single Audit Act  
162 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other  
163 applicable federal law.

164 (e) "Fraud" means obtaining something of value through  
165 willful misrepresentation, including, but not limited to, the  
166 intentional misstatements or omissions of amounts or disclosures  
167 in financial statements to deceive users of financial  
168 statements, theft of an entity's assets, bribery, or the use of  
169 one's position for personal enrichment through the deliberate  
170 misuse or misapplication of an organization's resources.

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

174 (g)~~(e)~~ "Local governmental entity" means a county agency,  
175 municipality, tourist development council, county tourism  
176 promotion agency, or special district as defined in s. 189.012.  
177 The term, ~~but~~ does not include any housing authority established

22-00793-17

2017880\_\_

178 under chapter 421.

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

181 (i)~~(g)~~ "Operational audit" means an audit whose purpose is  
182 to evaluate management's performance in establishing and  
183 maintaining internal controls, including controls designed to  
184 prevent and detect fraud, waste, and abuse, and in administering  
185 assigned responsibilities in accordance with applicable laws,  
186 administrative rules, contracts, grant agreements, and other  
187 guidelines. Operational audits must be conducted in accordance  
188 with government auditing standards. Such audits examine internal  
189 controls that are designed and placed in operation to promote  
190 and encourage the achievement of management's control objectives  
191 in the categories of compliance, economic and efficient  
192 operations, reliability of financial records and reports, and  
193 safeguarding of assets, and identify weaknesses in those  
194 internal controls.

195 (j)~~(h)~~ "Performance audit" means an examination of a  
196 program, activity, or function of a governmental entity,  
197 conducted in accordance with applicable government auditing  
198 standards or auditing and evaluation standards of other  
199 appropriate authoritative bodies. The term includes an  
200 examination of issues related to:

- 201 1. Economy, efficiency, or effectiveness of the program.
- 202 2. Structure or design of the program to accomplish its  
203 goals and objectives.
- 204 3. Adequacy of the program to meet the needs identified by  
205 the Legislature or governing body.
- 206 4. Alternative methods of providing program services or

22-00793-17

2017880\_\_

207 products.

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

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

212 7. Compliance of the program with appropriate policies,  
213 rules, or laws.

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

216 (k)~~(i)~~ "Political subdivision" means a separate agency or  
217 unit of local government created or established by law and  
218 includes, but is not limited to, the following and the officers  
219 thereof: authority, board, branch, bureau, city, commission,  
220 consolidated government, county, department, district,  
221 institution, metropolitan government, municipality, office,  
222 officer, public corporation, town, or village.

223 (l)~~(j)~~ "State agency" means a separate agency or unit of  
224 state government created or established by law and includes, but  
225 is not limited to, the following and the officers thereof:  
226 authority, board, branch, bureau, commission, department,  
227 division, institution, office, officer, or public corporation,  
228 as the case may be, except any such agency or unit within the  
229 legislative branch of state government other than the Florida  
230 Public Service Commission.

231 (m) "Waste" means the act of using or expending resources  
232 unreasonably, carelessly, extravagantly, or for no useful  
233 purpose.

234 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The Auditor  
235 General may, pursuant to his or her own authority, or at the



22-00793-17

2017880\_\_

236 direction of the Legislative Auditing Committee, conduct audits  
 237 or other engagements as determined appropriate by the Auditor  
 238 General of:

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

240 (x) Tourist development councils and county tourism  
 241 promotion agencies.

242 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

243 (i) The Auditor General shall annually transmit by July 15,  
 244 to the President of the Senate, the Speaker of the House of  
 245 Representatives, and the Department of Financial Services, a  
 246 list of all school districts, charter schools, charter technical  
 247 career centers, Florida College System institutions, state  
 248 universities, and local governmental entities ~~water management~~  
 249 ~~districts~~ that have failed to comply with the transparency  
 250 requirements as identified in the audit reports reviewed  
 251 pursuant to paragraph (b) and those conducted pursuant to  
 252 subsection (2).

253 Section 3. Subsections (6) and (7) of section 43.16,  
 254 Florida Statutes, are renumbered as subsections (7) and (8),  
 255 respectively, and a new subsection (6) is added to that section,  
 256 to read:

257 43.16 Justice Administrative Commission; membership, powers  
 258 and duties.—

259 (6) The commission, each state attorney, each public  
 260 defender, the criminal conflict and civil regional counsel, the  
 261 capital collateral regional counsel, and the Guardian Ad Litem  
 262 Program shall establish and maintain internal controls designed  
 263 to:

264 (a) Prevent and detect fraud, waste, and abuse.

22-00793-17

2017880\_\_

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

267 (c) Support economical and efficient operations.

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

269 (e) Safeguard assets.

270 Section 4. Paragraph (c) of subsection (3) of section  
271 129.03, Florida Statutes, is amended to read:

272 129.03 Preparation and adoption of budget.—

273 (3) The county budget officer, after tentatively  
274 ascertaining the proposed fiscal policies of the board for the  
275 next fiscal year, shall prepare and present to the board a  
276 tentative budget for the next fiscal year for each of the funds  
277 provided in this chapter, including all estimated receipts,  
278 taxes to be levied, and balances expected to be brought forward  
279 and all estimated expenditures, reserves, and balances to be  
280 carried over at the end of the year.

281 (c) The board shall hold public hearings to adopt tentative  
282 and final budgets pursuant to s. 200.065. The hearings shall be  
283 primarily for the purpose of hearing requests and complaints  
284 from the public regarding the budgets and the proposed tax  
285 levies and for explaining the budget and any proposed or adopted  
286 amendments. The tentative budget must be posted on the county's  
287 official website at least 2 days before the public hearing to  
288 consider such budget and must remain on the website for at least  
289 45 days. The final budget must be posted on the website within  
290 30 days after adoption and must remain on the website for at  
291 least 2 years. The tentative budgets, adopted tentative budgets,  
292 and final budgets shall be filed in the office of the county  
293 auditor as a public record. Sufficient reference in words and

22-00793-17

2017880\_\_

294 figures to identify the particular transactions must ~~shall~~ be  
295 made in the minutes of the board to record its actions with  
296 reference to the budgets.

297 Section 5. Paragraph (f) of subsection (2) of section  
298 129.06, Florida Statutes, is amended to read:

299 129.06 Execution and amendment of budget.—

300 (2) The board at any time within a fiscal year may amend a  
301 budget for that year, and may within the first 60 days of a  
302 fiscal year amend the budget for the prior fiscal year, as  
303 follows:

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

309 1. The public hearing must be advertised at least 2 days,  
310 but not more than 5 days, before the date of the hearing. The  
311 advertisement must appear in a newspaper of paid general  
312 circulation and must identify the name of the taxing authority,  
313 the date, place, and time of the hearing, and the purpose of the  
314 hearing. The advertisement must also identify each budgetary  
315 fund to be amended, the source of the funds, the use of the  
316 funds, and the total amount of each fund's appropriations.

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

321 Section 6. Subsections (3) and (5) of section 166.241,  
322 Florida Statutes, are amended to read:

22-00793-17

2017880\_\_

323 166.241 Fiscal years, budgets, and budget amendments.—

324 (3) The tentative budget must be posted on the  
325 municipality's official website at least 2 days before the  
326 budget hearing, held pursuant to s. 200.065 or other law, to  
327 consider such budget and must remain on the website for at least  
328 45 days. The final adopted budget must be posted on the  
329 municipality's official website within 30 days after adoption  
330 and must remain on the website for at least 2 years. If the  
331 municipality does not operate an official website, the  
332 municipality must, within a reasonable period of time as  
333 established by the county or counties in which the municipality  
334 is located, transmit the tentative budget and final budget to  
335 the manager or administrator of such county or counties who  
336 shall post the budgets on the county's website.

337 (5) If the governing body of a municipality amends the  
338 budget pursuant to paragraph (4) (c), the adopted amendment must  
339 be posted on the official website of the municipality within 5  
340 days after adoption and must remain on the website for at least  
341 2 years. If the municipality does not operate an official  
342 website, the municipality must, within a reasonable period of  
343 time as established by the county or counties in which the  
344 municipality is located, transmit the adopted amendment to the  
345 manager or administrator of such county or counties who shall  
346 post the adopted amendment on the county's website.

347 Section 7. Section 215.86, Florida Statutes, is amended to  
348 read:

349 215.86 Management systems and controls.—Each state agency  
350 and the judicial branch as defined in s. 216.011 shall establish  
351 and maintain management systems and internal controls designed

22-00793-17

2017880\_\_

352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380

to:

- (1) Prevent and detect fraud, waste, and abuse. that
- (2) Promote and encourage compliance with applicable laws, rules, contracts, and grant agreements.
- (3) Support economical and economic, efficient, and effective operations.
- (4) Ensure reliability of financial records and reports.
- (5) Safeguard and safeguarding of assets. Accounting systems and procedures shall be designed to fulfill the requirements of generally accepted accounting principles.

Section 8. Paragraph (a) of subsection (2) of section 215.97, Florida Statutes, is amended to read:

215.97 Florida Single Audit Act.—

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

(a) "Audit threshold" means the threshold amount used to determine when a state single audit or project-specific audit of a nonstate entity shall be conducted in accordance with this section. Each nonstate entity that expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such nonstate entity shall be required to have a state single audit, or a project-specific audit, for such fiscal year in accordance with the requirements of this section. ~~Every 2 years the Auditor General,~~ After consulting with the Executive Office of the Governor, the Department of Financial Services, and all state awarding agencies, the Auditor General shall periodically review the threshold amount for requiring audits under this section and may recommend any appropriate statutory change to revise the threshold amount in the annual report submitted pursuant to s. 11.45(7)(h) to the Legislature

22-00793-17

2017880\_\_

381 ~~adjust such threshold amount consistent with the purposes of~~  
382 ~~this section.~~

383 Section 9. Subsection (11) of section 215.985, Florida  
384 Statutes, is amended to read:

385 215.985 Transparency in government spending.—

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

391 Section 10. Paragraph (d) of subsection (1) and subsection  
392 (2) of section 218.32, Florida Statutes, are amended to read:

393 218.32 Annual financial reports; local governmental  
394 entities.—

395 (1)

396 (d) Each local governmental entity that is required to  
397 provide for an audit under s. 218.39(1) must submit a copy of  
398 the audit report and annual financial report to the department  
399 within 45 days after the completion of the audit report but no  
400 later than 9 months after the end of the fiscal year. In  
401 conducting an audit of a local governmental entity pursuant to  
402 s. 218.39, an independent certified public accountant shall  
403 determine whether the entity's annual financial report is in  
404 agreement with the audited financial statements. The  
405 accountant's audit report must be supported by the same level of  
406 detail as required for the annual financial report. If the  
407 accountant's audit report is not in agreement with the annual  
408 financial report, the accountant shall specify and explain the  
409 significant differences that exist between the annual financial

22-00793-17

2017880\_\_

410 report and the audit report.

411 (2) The department shall annually by December 1 file a  
412 verified report with the Governor, the Legislature, the Auditor  
413 General, and the Special District Accountability Program of the  
414 Department of Economic Opportunity showing the revenues, both  
415 locally derived and derived from intergovernmental transfers,  
416 and the expenditures of each local governmental entity, regional  
417 planning council, local government finance commission, and  
418 municipal power corporation that is required to submit an annual  
419 financial report. In preparing the verified report, the  
420 department may request additional information from the local  
421 governmental entity. The information requested must be provided  
422 to the department within 45 days after the request. If the local  
423 governmental entity does not comply with the request, the  
424 department shall notify the Legislative Auditing Committee,  
425 which may take action pursuant to s. 11.40(2). The report must  
426 include, but is not limited to:

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

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

435 Section 11. Present subsection (3) of section 218.33,  
436 Florida Statutes, is renumbered as subsection (4), and a new  
437 subsection (3) is added to that section, to read:

438 218.33 Local governmental entities; establishment of

22-00793-17

2017880\_\_

439 uniform fiscal years and accounting practices and procedures.-

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

442 (a) Prevent and detect fraud, waste, and abuse.

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

445 (c) Support economical and efficient operations.

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

447 (e) Safeguard assets.

448 Section 12. Present subsections (8) through (12) of section  
449 218.39, Florida Statutes, are renumbered as subsections (9)  
450 through (13), respectively, and a new subsection (8) is added to  
451 that section, to read:

452 218.39 Annual financial audit reports.-

453 (8) If the audit report includes a recommendation that was  
454 included in the preceding financial audit report but remains  
455 unaddressed, the governing body of the audited entity, within 60  
456 days after the delivery of the audit report to the governing  
457 body, shall indicate during a regularly scheduled public meeting  
458 whether it intends to take corrective action, the intended  
459 corrective action, and the timeframe for the corrective action.  
460 If the governing body indicates that it does not intend to take  
461 corrective action, it must explain its decision at the public  
462 meeting.

463 Section 13. Subsection (2) of section 286.0114, Florida  
464 Statutes, is amended to read:

465 286.0114 Public meetings; reasonable opportunity to be  
466 heard; attorney fees.-

467 (2) Members of the public shall be given a reasonable



22-00793-17

2017880\_\_

468 opportunity to be heard on a proposition before a board or  
469 commission. The opportunity to be heard need not occur at the  
470 same meeting at which the board or commission takes official  
471 action on the proposition if the opportunity occurs at a meeting  
472 that is during the decisionmaking process and is within  
473 reasonable proximity in time before the meeting at which the  
474 board or commission takes the official action. A board or  
475 commission may not require a member of the public to provide an  
476 advance written copy of his or her testimony or comments as a  
477 condition of being given the opportunity to be heard at a  
478 meeting. This section does not prohibit a board or commission  
479 from maintaining orderly conduct or proper decorum in a public  
480 meeting. The opportunity to be heard is subject to rules or  
481 policies adopted by the board or commission, as provided in  
482 subsection (4).

483 Section 14. Paragraph (e) of subsection (4), paragraph (d)  
484 of subsection (5), and paragraph (d) of subsection (6) of  
485 section 373.536, Florida Statutes, are amended to read:

486 373.536 District budget and hearing thereon.—

487 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

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

493 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND  
494 APPROVAL.—

495 (d) Each district shall, by August 1 of each year, submit  
496 for review a tentative budget and a description of any

22-00793-17

2017880\_\_

497 significant changes from the preliminary budget submitted to the  
 498 Legislature pursuant to s. 373.535 to the Governor, the  
 499 President of the Senate, the Speaker of the House of  
 500 Representatives, the chairs of all legislative committees and  
 501 subcommittees having substantive or fiscal jurisdiction over  
 502 water management districts, as determined by the President of  
 503 the Senate or the Speaker of the House of Representatives, as  
 504 applicable, the secretary of the department, and the governing  
 505 body of each county in which the district has jurisdiction or  
 506 derives any funds for the operations of the district. The  
 507 tentative budget must be posted on the district's official  
 508 website at least 2 days before budget hearings held pursuant to  
 509 s. 200.065 or other law and must remain on the website for at  
 510 least 45 days.

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

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

516 Section 15. Paragraph (1) of subsection (12) of section  
 517 1001.42, Florida Statutes, is amended to read:

518 1001.42 Powers and duties of district school board.—The  
 519 district school board, acting as a board, shall exercise all  
 520 powers and perform all duties listed below:

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

524 (1) *Internal auditor.*—May employ an internal auditor to  
 525 perform ongoing financial verification of the financial records

22-00793-17

2017880\_\_

526 of the school district and such other audits and reviews as the  
527 district school board directs for the purpose of determining:

528 1. The adequacy of internal controls designed to prevent  
529 and detect fraud, waste, and abuse.

530 2. Compliance with applicable laws, rules, contracts, grant  
531 agreements, district school board-approved policies, and best  
532 practices.

533 3. The efficiency of operations.

534 4. The reliability of financial records and reports.

535 5. The safeguarding of assets.

536

537 The internal auditor shall report directly to the district  
538 school board or its designee.

539 Section 16. Paragraph (j) of subsection (9) of section  
540 1002.33, Florida Statutes, is amended to read:

541 1002.33 Charter schools.—

542 (9) CHARTER SCHOOL REQUIREMENTS.—

543 (j) The governing body of the charter school shall be  
544 responsible for:

545 1. Establishing and maintaining internal controls designed  
546 to:

547 a. Prevent and detect fraud, waste, and abuse.

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

550 c. Support economical and efficient operations.

551 d. Ensure reliability of financial records and reports.

552 e. Safeguard assets.

553 2.1- Ensuring that the charter school has retained the  
554 services of a certified public accountant or auditor for the

22-00793-17

2017880\_\_

555 annual financial audit, pursuant to s. 1002.345(2), who shall  
556 submit the report to the governing body.

557 ~~3.2.~~ Reviewing and approving the audit report, including  
558 audit findings and recommendations for the financial recovery  
559 plan.

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

562 b. Monitoring a financial recovery plan in order to ensure  
563 compliance.

564 ~~5.4.~~ Participating in governance training approved by the  
565 department which must include government in the sunshine,  
566 conflicts of interest, ethics, and financial responsibility.

567 Section 17. Subsection (5) is added to section 1010.01,  
568 Florida Statutes, to read:

569 1010.01 Uniform records and accounts.—

570 (5) Each school district, Florida College System  
571 institution, and state university shall establish and maintain  
572 internal controls designed to:

573 (a) Prevent and detect fraud, waste, and abuse.

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

576 (c) Support economical and efficient operations.

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

578 (e) Safeguard assets.

579 Section 18. Subsection (2) of section 1010.30, Florida  
580 Statutes, is amended to read:

581 1010.30 Audits required.—

582 (2) If a school district, Florida College System  
583 institution, or university audit report includes a

22-00793-17

2017880\_\_

584 recommendation that was included in the preceding financial  
585 audit report but remains unaddressed ~~an audit contains a~~  
586 ~~significant finding,~~ the district school board, the Florida  
587 College System institution board of trustees, or the university  
588 board of trustees, within 60 days after the delivery of the  
589 audit report to the school district, Florida College System  
590 institution, or university, shall indicate ~~conduct an audit~~  
591 ~~overview~~ during a regularly scheduled public meeting whether it  
592 intends to take corrective action, the intended corrective  
593 action, and the timeframe for the corrective action. If the  
594 district school board, Florida College System institution board  
595 of trustees, or university board of trustees indicates that it  
596 does not intend to take corrective action, it shall explain its  
597 decision at the public meeting.

598       Section 19. The Legislature finds that a proper and  
599 legitimate state purpose is served when internal controls are  
600 established to prevent and detect fraud, waste, and abuse and to  
601 safeguard and account for government funds and property.  
602 Therefore, the Legislature determines and declares that this act  
603 fulfills an important state interest.

604       Section 20. This act shall take effect July 1, 2017.