

By the Committee on Community Affairs; and Senator Stargel

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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; excluding water management  
11      districts from certain audit requirements; removing a  
12      cross-reference; authorizing the Auditor General to  
13      conduct audits of tourist development councils and  
14      county tourism promotion agencies; revising reporting  
15      requirements applicable to the Auditor General;  
16      amending s. 28.35, F.S.; revising reporting  
17      requirements applicable to the Florida Clerks of Court  
18      Operations Corporation; amending s. 43.16, F.S.;;  
19      revising the responsibilities of the Justice  
20      Administrative Commission, each state attorney, each  
21      public defender, the criminal conflict and civil  
22      regional counsel, the capital collateral regional  
23      counsel, and the Guardian Ad Litem Program, to include  
24      the establishment and maintenance of certain internal  
25      controls; amending s. 112.061, F.S.; revising certain  
26      lodging rates for the purpose of reimbursement to  
27      specified employees; authorizing an employee to expend  
28      his or her funds for certain lodging expenses;  
29      defining the term "statewide travel management

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30 system"; requiring agencies and the judicial branch to  
31 report certain travel information of public officers  
32 and employees in the statewide travel management  
33 system; requiring executive branch state agencies and  
34 the judicial branch to use the statewide travel  
35 management system for certain purposes; amending ss.  
36 129.03, 129.06, and 166.241, F.S.; requiring counties  
37 and municipalities to maintain certain budget  
38 documents on the entities' websites for a specified  
39 period; amending s. 215.86, F.S.; revising the  
40 purposes for which management systems and internal  
41 controls must be established and maintained by each  
42 state agency and the judicial branch; amending s.  
43 215.97, F.S.; revising certain audit threshold  
44 requirements; amending s. 215.985, F.S.; revising the  
45 requirements for a monthly financial statement  
46 provided by a water management district; amending s.  
47 218.32, F.S.; revising the requirements of the annual  
48 financial audit report of a local governmental entity;  
49 authorizing the Department of Financial Services to  
50 request additional information from a local  
51 governmental entity; requiring a local governmental  
52 entity to respond to such requests within a specified  
53 timeframe; requiring the department to notify the  
54 Legislative Auditing Committee of noncompliance;  
55 amending s. 218.33, F.S.; requiring local governmental  
56 entities to establish and maintain internal controls  
57 to achieve specified purposes; amending s. 218.39,  
58 F.S.; requiring an audited entity to respond to audit

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59 recommendations under specified circumstances;  
60 amending s. 218.391, F.S.; revising membership for the  
61 audit committee; prohibiting an audit committee member  
62 from being an employee, a chief executive officer, or  
63 a chief financial officer of the respective  
64 governmental entity; requiring an auditor to include  
65 certain information in a management letter; requiring  
66 the chair of a governmental entity's governing body to  
67 submit an affidavit containing certain information  
68 when the entity contracts with an auditor to conduct  
69 an audit; providing requirements and procedures for  
70 selecting an auditor; requiring the Legislative  
71 Auditing Committee to determine whether a governmental  
72 entity should be subject to state action under certain  
73 circumstances; amending s. 286.0114, F.S.; prohibiting  
74 a board or commission from requiring an advance copy  
75 of testimony or comments from a member of the public  
76 as a precondition to being given the opportunity to be  
77 heard at a public meeting; amending s. 373.536, F.S.;  
78 deleting obsolete language; requiring water management  
79 districts to maintain certain budget documents on the  
80 districts' websites for a specified period; amending  
81 s. 1001.42, F.S.; authorizing additional internal  
82 audits as directed by the district school board;  
83 amending s. 1002.33, F.S.; revising the  
84 responsibilities of the governing board of a charter  
85 school to include the establishment and maintenance of  
86 internal controls; amending s. 1002.37, F.S.;  
87 requiring completion of an annual financial audit of

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88 the Florida Virtual School; specifying audit  
89 requirements; requiring an audit report to be  
90 submitted to the board of trustees of the Florida  
91 Virtual School and the Auditor General; deleting  
92 obsolete provisions; amending s. 1010.01, F.S.;  
93 requiring each school district, Florida College System  
94 institution, and state university to establish and  
95 maintain certain internal controls; amending s.  
96 1010.30, F.S.; requiring a district school board,  
97 Florida College System institution board of trustees,  
98 or university board of trustees to respond to audit  
99 recommendations under certain circumstances; amending  
100 s. 218.503, F.S.; conforming provisions and cross-  
101 references to changes made by the act; declaring that  
102 the act fulfills an important state interest;  
103 providing an effective date.  
104

105 Be It Enacted by the Legislature of the State of Florida:  
106

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

109 11.40 Legislative Auditing Committee.—

110 (2) Following notification by the Auditor General, the  
111 Department of Financial Services, ~~or~~ the Division of Bond  
112 Finance of the State Board of Administration, the Governor or  
113 his or her designee, or the Commissioner of Education or his or  
114 her designee of the failure of a local governmental entity,  
115 district school board, charter school, or charter technical  
116 career center to comply with the applicable provisions within s.

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117 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the  
118 Legislative Auditing Committee may schedule a hearing to  
119 determine if the entity should be subject to further state  
120 action. If the committee determines that the entity should be  
121 subject to further state action, the committee shall:

122 (a) In the case of a local governmental entity or district  
123 school board, direct the Department of Revenue and the  
124 Department of Financial Services to withhold any funds not  
125 pledged for bond debt service satisfaction which are payable to  
126 such entity until the entity complies with the law. The  
127 committee shall specify the date that such action must ~~shall~~  
128 begin, and the directive must be received by the Department of  
129 Revenue and the Department of Financial Services 30 days before  
130 the date of the distribution mandated by law. The Department of  
131 Revenue and the Department of Financial Services may implement  
132 ~~the provisions of~~ this paragraph.

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

134 1. A special act, notify the President of the Senate, the  
135 Speaker of the House of Representatives, the standing committees  
136 of the Senate and the House of Representatives charged with  
137 special district oversight as determined by the presiding  
138 officers of each respective chamber, the legislators who  
139 represent a portion of the geographical jurisdiction of the  
140 special district, and the Department of Economic Opportunity  
141 that the special district has failed to comply with the law.  
142 Upon receipt of notification, the Department of Economic  
143 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.  
144 If the special district remains in noncompliance after the  
145 process set forth in s. 189.0651, or if a public hearing is not

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146 held, the Legislative Auditing Committee may request the  
147 department to proceed pursuant to s. 189.067(3).

148 2. A local ordinance, notify the chair or equivalent of the  
149 local general-purpose government pursuant to s. 189.0652 and the  
150 Department of Economic Opportunity that the special district has  
151 failed to comply with the law. Upon receipt of notification, the  
152 department shall proceed pursuant to s. 189.062 or s. 189.067.  
153 If the special district remains in noncompliance after the  
154 process set forth in s. 189.0652, or if a public hearing is not  
155 held, the Legislative Auditing Committee may request the  
156 department to proceed pursuant to s. 189.067(3).

157 3. Any manner other than a special act or local ordinance,  
158 notify the Department of Economic Opportunity that the special  
159 district has failed to comply with the law. Upon receipt of  
160 notification, the department shall proceed pursuant to s.  
161 189.062 or s. 189.067(3).

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

165 Section 2. Subsection (1), paragraph (j) of subsection (2),  
166 paragraph (u) of subsection (3), and paragraph (i) of subsection  
167 (7) of section 11.45, Florida Statutes, are amended, and  
168 paragraph (x) is added to subsection (3) of that section, to  
169 read:

170 11.45 Definitions; duties; authorities; reports; rules.—

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

172 (a) "Abuse" means behavior that is deficient or improper  
173 when compared with behavior that a prudent person would consider  
174 a reasonable and necessary operational practice given the facts

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175 and circumstances. The term includes the misuse of authority or  
176 position for personal gain.

177 (b)~~(a)~~ "Audit" means a financial audit, operational audit,  
178 or performance audit.

179 (c)~~(b)~~ "County agency" means a board of county  
180 commissioners or other legislative and governing body of a  
181 county, however styled, including that of a consolidated or  
182 metropolitan government, a clerk of the circuit court, a  
183 separate or ex officio clerk of the county court, a sheriff, a  
184 property appraiser, a tax collector, a supervisor of elections,  
185 or any other officer in whom any portion of the fiscal duties of  
186 a body or officer expressly stated in this paragraph are ~~the~~  
187 above are under law separately placed by law.

188 (d)~~(e)~~ "Financial audit" means an examination of financial  
189 statements in order to express an opinion on the fairness with  
190 which they are presented in conformity with generally accepted  
191 accounting principles and an examination to determine whether  
192 operations are properly conducted in accordance with legal and  
193 regulatory requirements. Financial audits must be conducted in  
194 accordance with auditing standards generally accepted in the  
195 United States and government auditing standards as adopted by  
196 the Board of Accountancy. When applicable, the scope of  
197 financial audits must ~~shall~~ encompass the additional activities  
198 necessary to establish compliance with the Single Audit Act  
199 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other  
200 applicable federal law.

201 (e) "Fraud" means obtaining something of value through  
202 willful misrepresentation, including, but not limited to, the  
203 intentional misstatements or intentional omissions of amounts or

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204 disclosures in financial statements to deceive users of  
205 financial statements, theft of an entity's assets, bribery, or  
206 the use of one's position for personal enrichment through the  
207 deliberate misuse or misapplication of an organization's  
208 resources.

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

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

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

219 (i)~~(g)~~ "Operational audit" means an audit whose purpose is  
220 to evaluate management's performance in establishing and  
221 maintaining internal controls, including controls designed to  
222 prevent and detect fraud, waste, and abuse, and in administering  
223 assigned responsibilities in accordance with applicable laws,  
224 administrative rules, contracts, grant agreements, and other  
225 guidelines. Operational audits must be conducted in accordance  
226 with government auditing standards. Such audits examine internal  
227 controls that are designed and placed in operation to promote  
228 and encourage the achievement of management's control objectives  
229 in the categories of compliance, economic and efficient  
230 operations, reliability of financial records and reports, and  
231 safeguarding of assets, and identify weaknesses in those  
232 internal controls.



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233        (j)~~(h)~~ "Performance audit" means an examination of a  
234 program, activity, or function of a governmental entity,  
235 conducted in accordance with applicable government auditing  
236 standards or auditing and evaluation standards of other  
237 appropriate authoritative bodies. The term includes an  
238 examination of issues related to:

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

240            2. Structure or design of the program to accomplish its  
241 goals and objectives.

242            3. Adequacy of the program to meet the needs identified by  
243 the Legislature or governing body.

244            4. Alternative methods of providing program services or  
245 products.

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

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

250            7. Compliance of the program with appropriate policies,  
251 rules, or laws.

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

254        (k)~~(i)~~ "Political subdivision" means a separate agency or  
255 unit of local government created or established by law and  
256 includes, but is not limited to, the following and the officers  
257 thereof: authority, board, branch, bureau, city, commission,  
258 consolidated government, county, department, district,  
259 institution, metropolitan government, municipality, office,  
260 officer, public corporation, town, or village.

261        (l)~~(j)~~ "State agency" means a separate agency or unit of

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262 state government created or established by law and includes, but  
263 is not limited to, the following and the officers thereof:  
264 authority, board, branch, bureau, commission, department,  
265 division, institution, office, officer, or public corporation,  
266 as the case may be, except any such agency or unit within the  
267 legislative branch of state government other than the Florida  
268 Public Service Commission.

269 (m) "Waste" means the act of using or expending resources  
270 unreasonably, carelessly, extravagantly, or for no useful  
271 purpose.

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

273 (j) Conduct audits of local governmental entities when  
274 determined to be necessary by the Auditor General, when directed  
275 by the Legislative Auditing Committee, or when otherwise  
276 required by law. No later than 18 months after the release of  
277 the audit report, the Auditor General shall perform such  
278 appropriate followup procedures as he or she deems necessary to  
279 determine the audited entity's progress in addressing the  
280 findings and recommendations contained within the Auditor  
281 General's previous report. The Auditor General shall notify each  
282 member of the audited entity's governing body and the  
283 Legislative Auditing Committee of the results of his or her  
284 determination. For purposes of this paragraph, local  
285 governmental entities do not include water management districts.

286  
287 The Auditor General shall perform his or her duties  
288 independently but under the general policies established by the  
289 Legislative Auditing Committee. This subsection does not limit  
290 the Auditor General's discretionary authority to conduct other

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291 audits or engagements of governmental entities as authorized in  
292 subsection (3).

293 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The Auditor  
294 General may, pursuant to his or her own authority, or at the  
295 direction of the Legislative Auditing Committee, conduct audits  
296 or other engagements as determined appropriate by the Auditor  
297 General of:

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

299 (x) Tourist development councils and county tourism  
300 promotion agencies.

301 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

302 (i) The Auditor General shall annually transmit by July 15,  
303 to the President of the Senate, the Speaker of the House of  
304 Representatives, and the Department of Financial Services, a  
305 list of all school districts, charter schools, charter technical  
306 career centers, Florida College System institutions, state  
307 universities, and local governmental entities ~~water management~~  
308 ~~districts~~ that have failed to comply with the transparency  
309 requirements as identified in the audit reports reviewed  
310 pursuant to paragraph (b) and those conducted pursuant to  
311 subsection (2).

312 Section 3. Paragraph (d) of subsection (2) of section  
313 28.35, Florida Statutes, is amended to read:

314 28.35 Florida Clerks of Court Operations Corporation.—

315 (2) The duties of the corporation shall include the  
316 following:

317 (d) Developing and certifying a uniform system of workload  
318 measures and applicable workload standards for court-related  
319 functions as developed by the corporation and clerk workload

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320 performance in meeting the workload performance standards. These  
321 workload measures and workload performance standards shall be  
322 designed to facilitate an objective determination of the  
323 performance of each clerk in accordance with minimum standards  
324 for fiscal management, operational efficiency, and effective  
325 collection of fines, fees, service charges, and court costs. The  
326 corporation shall develop the workload measures and workload  
327 performance standards in consultation with the Legislature. When  
328 the corporation finds a clerk has not met the workload  
329 performance standards, the corporation shall identify the nature  
330 of each deficiency and any corrective action recommended and  
331 taken by the affected clerk of the court. For quarterly periods  
332 ending on the last day of March, June, September, and December  
333 of each year, the corporation shall notify the Legislature of  
334 any clerk not meeting workload performance standards and provide  
335 a copy of any corrective action plans. Such notifications shall  
336 be submitted no later than 45 days after the end of the  
337 preceding quarterly period. As used in this subsection, the  
338 term:

339 1. "Workload measures" means the measurement of the  
340 activities and frequency of the work required for the clerk to  
341 adequately perform the court-related duties of the office as  
342 defined by the membership of the Florida Clerks of Court  
343 Operations Corporation.

344 2. "Workload performance standards" means the standards  
345 developed to measure the timeliness and effectiveness of the  
346 activities that are accomplished by the clerk in the performance  
347 of the court-related duties of the office as defined by the  
348 membership of the Florida Clerks of Court Operations

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349 Corporation.

350 Section 4. Present subsections (6) and (7) of section  
351 43.16, Florida Statutes, are renumbered as subsections (7) and  
352 (8), respectively, and a new subsection (6) is added to that  
353 section, to read:

354 43.16 Justice Administrative Commission; membership, powers  
355 and duties.—

356 (6) The commission, each state attorney, each public  
357 defender, the criminal conflict and civil regional counsel, the  
358 capital collateral regional counsel, and the Guardian Ad Litem  
359 Program shall establish and maintain internal controls designed  
360 to:

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

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

365 (c) Support economical and efficient operations.

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

367 (e) Safeguard assets.

368 Section 5. Subsection (6) of section 112.061, Florida  
369 Statutes, is amended, and subsection (16) is added to that  
370 section, to read:

371 112.061 Per diem and travel expenses of public officers,  
372 employees, and authorized persons.—

373 (6) RATES OF PER DIEM AND SUBSISTENCE ALLOWANCE.—For  
374 purposes of reimbursement rates and methods of calculation, per  
375 diem and subsistence allowances are provided as follows:

376 (a) All travelers shall be allowed for subsistence when  
377 traveling to a convention or conference or when traveling within

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378 or outside the state in order to conduct bona fide state  
379 business, which convention, conference, or business serves a  
380 direct and lawful public purpose with relation to the public  
381 agency served by the person attending such meeting or conducting  
382 such business, either of the following for each day of such  
383 travel at the option of the traveler:

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

389  
390 When lodging or meals are provided at a state institution, the  
391 traveler shall be reimbursed only for the actual expenses of  
392 such lodging or meals, not to exceed the maximum provided for in  
393 this subsection.

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

- 397 1. Breakfast.....\$6
- 398 2. Lunch.....\$11
- 399 3. Dinner.....\$19

400 (c) Actual expenses for lodging associated with the  
401 attendance of an employee of a state agency or the judicial  
402 branch at a meeting, conference, or convention organized or  
403 sponsored in whole or in part by a state agency or the judicial  
404 branch may not exceed \$150 per day. However, an employee may  
405 expend his or her own funds for any lodging expenses that exceed  
406 \$150 per day. For purposes of this paragraph, a meeting does not

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407 include travel activities for conducting an audit, examination,  
408 inspection, or investigation or travel activities related to a  
409 litigation or emergency response.

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

413 (16) STATEWIDE TRAVEL MANAGEMENT SYSTEM.—

414 (a) For purposes of this subsection, the term "statewide  
415 travel management system" means the system acquired by the  
416 Department of Management Services to:

417 1. Standardize and automate agency travel management;

418 2. Allow for travel planning and approval, expense  
419 reporting, and reimbursement; and

420 3. Allow a person to query travel information by public  
421 employee or officer name and position title, purpose of travel,  
422 dates and location of travel, mode of travel, confirmation of  
423 agency head or designee authorization if required, and total  
424 travel cost.

425 (b) All agencies and the judicial branch must report public  
426 officer and employee travel information in the statewide travel  
427 management system, including, but not limited to, officer or  
428 employee name and position title, purpose of travel, dates and  
429 location of travel, mode of travel, confirmation of agency head  
430 or designee authorization if required, and total travel cost. At  
431 a minimum, such information must be reported in the statewide  
432 travel management system on a monthly basis.

433 (c) All executive branch state agencies and the judicial  
434 branch must use the statewide travel management system for  
435 purposes of travel authorization and reimbursement.

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436 Section 6. Paragraph (c) of subsection (3) of section  
437 129.03, Florida Statutes, is amended to read:

438 129.03 Preparation and adoption of budget.—

439 (3) The county budget officer, after tentatively  
440 ascertaining the proposed fiscal policies of the board for the  
441 next fiscal year, shall prepare and present to the board a  
442 tentative budget for the next fiscal year for each of the funds  
443 provided in this chapter, including all estimated receipts,  
444 taxes to be levied, and balances expected to be brought forward  
445 and all estimated expenditures, reserves, and balances to be  
446 carried over at the end of the year.

447 (c) The board shall hold public hearings to adopt tentative  
448 and final budgets pursuant to s. 200.065. The hearings shall be  
449 primarily for the purpose of hearing requests and complaints  
450 from the public regarding the budgets and the proposed tax  
451 levies and for explaining the budget and any proposed or adopted  
452 amendments. The tentative budget must be posted on the county's  
453 official website at least 2 days before the public hearing to  
454 consider such budget and must remain on the website for at least  
455 45 days. The final budget must be posted on the website within  
456 30 days after adoption and must remain on the website for at  
457 least 2 years. The tentative budgets, adopted tentative budgets,  
458 and final budgets shall be filed in the office of the county  
459 auditor as a public record. Sufficient reference in words and  
460 figures to identify the particular transactions must ~~shall~~ be  
461 made in the minutes of the board to record its actions with  
462 reference to the budgets.

463 Section 7. Paragraph (f) of subsection (2) of section  
464 129.06, Florida Statutes, is amended to read:



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465 129.06 Execution and amendment of budget.—

466 (2) The board at any time within a fiscal year may amend a  
467 budget for that year, and may within the first 60 days of a  
468 fiscal year amend the budget for the prior fiscal year, as  
469 follows:

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

475 1. The public hearing must be advertised at least 2 days,  
476 but not more than 5 days, before the date of the hearing. The  
477 advertisement must appear in a newspaper of paid general  
478 circulation and must identify the name of the taxing authority,  
479 the date, place, and time of the hearing, and the purpose of the  
480 hearing. The advertisement must also identify each budgetary  
481 fund to be amended, the source of the funds, the use of the  
482 funds, and the total amount of each fund's appropriations.

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

487 Section 8. Subsections (3) and (5) of section 166.241,  
488 Florida Statutes, are amended to read:

489 166.241 Fiscal years, budgets, and budget amendments.—

490 (3) The tentative budget must be posted on the  
491 municipality's official website at least 2 days before the  
492 budget hearing, held pursuant to s. 200.065 or other law, to  
493 consider such budget and must remain on the website for at least

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494 45 days. The final adopted budget must be posted on the  
495 municipality's official website within 30 days after adoption  
496 and must remain on the website for at least 2 years. If the  
497 municipality does not operate an official website, the  
498 municipality must, within a reasonable period of time as  
499 established by the county or counties in which the municipality  
500 is located, transmit the tentative budget and final budget to  
501 the manager or administrator of such county or counties who  
502 shall post the budgets on the county's website.

503 (5) If the governing body of a municipality amends the  
504 budget pursuant to paragraph (4)(c), the adopted amendment must  
505 be posted on the official website of the municipality within 5  
506 days after adoption and must remain on the website for at least  
507 2 years. If the municipality does not operate an official  
508 website, the municipality must, within a reasonable period of  
509 time as established by the county or counties in which the  
510 municipality is located, transmit the adopted amendment to the  
511 manager or administrator of such county or counties who shall  
512 post the adopted amendment on the county's website.

513 Section 9. Section 215.86, Florida Statutes, is amended to  
514 read:

515 215.86 Management systems and controls.—Each state agency  
516 and the judicial branch as defined in s. 216.011 shall establish  
517 and maintain management systems and internal controls designed  
518 to:

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

521 (2) Promote and encourage compliance with applicable laws,  
522 rules, contracts, and grant agreements.†

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523 (3) Support economical and ~~economic,~~ efficient, ~~and~~  
524 ~~effective operations.~~

525 (4) Ensure reliability of financial records and reports.

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

529 Section 10. Paragraph (a) of subsection (2) of section  
530 215.97, Florida Statutes, is amended to read:

531 215.97 Florida Single Audit Act.—

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

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

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

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552 215.985 Transparency in government spending.—

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

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

560 218.32 Annual financial reports; local governmental  
561 entities.—

562 (1)

563 (d) Each local governmental entity that is required to  
564 provide for an audit under s. 218.39(1) must submit a copy of  
565 the audit report and annual financial report to the department  
566 within 45 days after the completion of the audit report but no  
567 later than 9 months after the end of the fiscal year. In  
568 conducting an audit of a local governmental entity pursuant to  
569 s. 218.39, an independent certified public accountant shall  
570 determine whether the entity's annual financial report is in  
571 agreement with the audited financial statements. If the audited  
572 financial statements are not in agreement with the annual  
573 financial report, the accountant shall specify and explain the  
574 significant differences that exist between the audited financial  
575 statements and the annual financial report.

576 (2) The department shall annually by December 1 file a  
577 verified report with the Governor, the Legislature, the Auditor  
578 General, and the Special District Accountability Program of the  
579 Department of Economic Opportunity showing the revenues, both  
580 locally derived and derived from intergovernmental transfers,

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581 and the expenditures of each local governmental entity, regional  
582 planning council, local government finance commission, and  
583 municipal power corporation that is required to submit an annual  
584 financial report. In preparing the verified report, the  
585 department may request additional information from the local  
586 governmental entity. The information requested must be provided  
587 to the department within 45 days after the request. If the local  
588 governmental entity does not comply with the request, the  
589 department shall notify the Legislative Auditing Committee,  
590 which may take action pursuant to s. 11.40(2). The report must  
591 include, but is not limited to:

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

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

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

603 218.33 Local governmental entities; establishment of  
604 uniform fiscal years and accounting practices and procedures.—

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

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

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

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

611 (c) Support economical and efficient operations.

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

613 (e) Safeguard assets.

614 Section 14. Present subsections (8) through (12) of section  
615 218.39, Florida Statutes, are renumbered as subsections (9)  
616 through (13), respectively, and a new subsection (8) is added to  
617 that section, to read:

618 218.39 Annual financial audit reports.—

619 (8) If the audit report includes a recommendation that was  
620 included in the preceding financial audit report but remains  
621 unaddressed, the governing body of the audited entity, within 60  
622 days after the delivery of the audit report to the governing  
623 body, shall indicate during a regularly scheduled public meeting  
624 whether it intends to take corrective action, the intended  
625 corrective action, and the timeframe for the corrective action.  
626 If the governing body indicates that it does not intend to take  
627 corrective action, it must explain its decision at the public  
628 meeting.

629 Section 15. Subsection (2) of section 218.391, Florida  
630 Statutes, is amended, and subsections (9) through (13) are added  
631 to that section, to read:

632 218.391 Auditor selection procedures.—

633 (2) The governing body of a ~~charter~~ county, municipality,  
634 special district, district school board, charter school, or  
635 charter technical career center shall establish an audit  
636 committee.

637 (a) The audit committee for a county ~~Each noncharter county~~  
638 ~~shall establish an audit committee that,~~ at a minimum, shall

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639 consist of each of the county officers elected pursuant to the  
640 county charter or s. 1(d), Art. VIII of the State Constitution,  
641 or their respective designees ~~a designee,~~ and one member of the  
642 board of county commissioners or its designee.

643 (b) The audit committee for a municipality, special  
644 district, district school board, charter school, or charter  
645 technical career center shall consist of at least three members.  
646 One member of the audit committee must be a member of the  
647 governing body of an entity specified in this paragraph, who  
648 shall also serve as the chair of the committee.

649 (c) An employee, chief executive officer, or chief  
650 financial officer of the county, municipality, special district,  
651 district school board, charter school, or charter technical  
652 career center may not serve as a member of an audit committee  
653 established under this subsection.

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

660 (9) For each audit required by s. 218.39, the auditor shall  
661 include the following information in the management letter  
662 prepared pursuant to s. 218.39(4):

663 (a) The date the entity's governing body approved the  
664 selection of the auditor and the date the entity and the auditor  
665 executed the most recent contract pursuant to subsection (7);

666 (b) The first fiscal year for which the auditor conducted  
667 the audit under the most recently executed contract pursuant to

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668 subsection (7); and

669 (c) The contract period, including renewals, and conditions  
670 under which the contract may be terminated or renewed.

671 (10) On each occasion that an entity contracts with an  
672 auditor to conduct an audit pursuant to s. 218.39, an affidavit  
673 shall be executed by the chair of the entity's governing body in  
674 a format prescribed in accordance with rules adopted by the  
675 Auditor General, affirming that the auditor was selected in  
676 compliance with the requirements of subsections (3)-(6). The  
677 affidavit must accompany the entity's first audit report  
678 prepared by the auditor under the most recently executed  
679 contract pursuant to subsection (7). The affidavit shall include  
680 the following information:

681 (a) The date the entity's governing body approved the  
682 selection of the auditor;

683 (b) The first fiscal year for which the auditor conducted  
684 the audit; and

685 (c) The contract period, including renewals, and conditions  
686 under which the contract may be terminated or renewed.

687 (11) If the entity fails to select the auditor in  
688 accordance with the requirements of subsections (3)-(6), the  
689 entity shall again perform the auditor selection process in  
690 accordance with this section to select an auditor to conduct  
691 audits for subsequent fiscal years if the original audit was  
692 performed under a multiyear contract.

693 (a) If performing the auditor selection process again in  
694 accordance with this section would preclude the entity from  
695 timely completing the annual financial audit required by s.  
696 218.39, the entity shall again perform the auditor selection



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697 process in accordance with this section for the subsequent  
698 annual financial audit. A multiyear contract entered into  
699 between an entity and an auditor after the effective date of  
700 this act may not prohibit or restrict an entity from complying  
701 with the section.

702 (b) If the entity fails to perform the auditor selection  
703 process again, pursuant to this subsection, the Legislative  
704 Auditing Committee shall determine whether the entity should be  
705 subject to state action pursuant to s. 11.40(2).

706 (12) If the entity fails to provide the Auditor General  
707 with the affidavit required by subsection (10), the Auditor  
708 General shall request that the entity provide the affidavit. The  
709 affidavit must be provided within 45 days after the date of the  
710 request. If the entity does not comply with the Auditor  
711 General's request, the Legislative Auditing Committee shall  
712 determine whether the entity should be subject to state action  
713 pursuant to s. 11.40(2).

714 (13) If the entity provides the Auditor General with the  
715 affidavit required in subsection (10) but failed to select the  
716 auditor in accordance with the requirements of subsections (3)-  
717 (6), the Legislative Auditing Committee shall determine whether  
718 the entity should be subject to state action pursuant to s.  
719 11.40(2).

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

722 286.0114 Public meetings; reasonable opportunity to be  
723 heard; attorney fees.-

724 (2) Members of the public shall be given a reasonable  
725 opportunity to be heard on a proposition before a board or

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726 commission. The opportunity to be heard need not occur at the  
727 same meeting at which the board or commission takes official  
728 action on the proposition if the opportunity occurs at a meeting  
729 that is during the decisionmaking process and is within  
730 reasonable proximity in time before the meeting at which the  
731 board or commission takes the official action. A board or  
732 commission may not require a member of the public to provide an  
733 advance written copy of his or her testimony or comments as a  
734 condition of being given the opportunity to be heard at a  
735 meeting. This section does not prohibit a board or commission  
736 from maintaining orderly conduct or proper decorum in a public  
737 meeting. The opportunity to be heard is subject to rules or  
738 policies adopted by the board or commission, as provided in  
739 subsection (4).

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

743 373.536 District budget and hearing thereon.—

744 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

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

750 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND  
751 APPROVAL.—

752 (d) Each district shall, by August 1 of each year, submit  
753 for review a tentative budget and a description of any  
754 significant changes from the preliminary budget submitted to the

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755 Legislature pursuant to s. 373.535 to the Governor, the  
756 President of the Senate, the Speaker of the House of  
757 Representatives, the chairs of all legislative committees and  
758 subcommittees having substantive or fiscal jurisdiction over  
759 water management districts, as determined by the President of  
760 the Senate or the Speaker of the House of Representatives, as  
761 applicable, the secretary of the department, and the governing  
762 body of each county in which the district has jurisdiction or  
763 derives any funds for the operations of the district. The  
764 tentative budget must be posted on the district's official  
765 website at least 2 days before budget hearings held pursuant to  
766 s. 200.065 or other law and must remain on the website for at  
767 least 45 days.

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

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

773 Section 18. Paragraph (1) of subsection (12) of section  
774 1001.42, Florida Statutes, is amended to read:

775 1001.42 Powers and duties of district school board.—The  
776 district school board, acting as a board, shall exercise all  
777 powers and perform all duties listed below:

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

781 (1) *Internal auditor.*—May employ an internal auditor to  
782 perform ongoing financial verification of the financial records  
783 of the school district and such other audits and reviews as the

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784 district school board directs for the purpose of determining:

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

787 2. Compliance with applicable laws, rules, contracts, grant  
788 agreements, district school board-approved policies, and best  
789 practices.

790 3. The efficiency of operations.

791 4. The reliability of financial records and reports.

792 5. The safeguarding of assets.

793

794 The internal auditor shall report directly to the district  
795 school board or its designee.

796 Section 19. Paragraph (j) of subsection (9) of section  
797 1002.33, Florida Statutes, is amended to read:

798 1002.33 Charter schools.—

799 (9) CHARTER SCHOOL REQUIREMENTS.—

800 (j) The governing body of the charter school shall be  
801 responsible for:

802 1. Establishing and maintaining internal controls designed  
803 to:

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

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

808 c. Support economical and efficient operations.

809 d. Ensure reliability of financial records and reports.

810 e. Safeguard assets.

811 ~~2.4.~~ Ensuring that the charter school has retained the  
812 services of a certified public accountant or auditor for the

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

815 ~~3.2.~~ Reviewing and approving the audit report, including  
816 audit findings and recommendations for the financial recovery  
817 plan.

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

820 b. Monitoring a financial recovery plan in order to ensure  
821 compliance.

822 ~~5.4.~~ Participating in governance training approved by the  
823 department which must include government in the sunshine,  
824 conflicts of interest, ethics, and financial responsibility.

825 Section 20. Present subsections (6) through (10) of section  
826 1002.37, Florida Statutes, are renumbered as subsections (7)  
827 through (11), respectively, present subsection (6) is amended,  
828 and a new subsection (6) is added to that section, to read:

829 1002.37 The Florida Virtual School.—

830 (6) The Florida Virtual School shall have an annual  
831 financial audit of its accounts and records conducted by an  
832 independent auditor who is a certified public accountant  
833 licensed under chapter 473. The independent auditor shall  
834 conduct the audit in accordance with rules adopted by the  
835 Auditor General pursuant to s. 11.45 and, upon completion of the  
836 audit, shall prepare an audit report in accordance with such  
837 rules. The audit report must include a written statement by the  
838 board of trustees describing corrective action to be taken in  
839 response to each of the recommendations of the independent  
840 auditor included in the audit report. The independent auditor  
841 shall submit the audit report to the board of trustees and the

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842 Auditor General no later than 9 months after the end of the  
843 preceding fiscal year.

844 (7)~~(6)~~ The board of trustees shall annually submit to the  
845 Governor, the Legislature, the Commissioner of Education, and  
846 the State Board of Education the audit report prepared pursuant  
847 to subsection (6) and a complete and detailed report setting  
848 forth:

849 (a) The operations and accomplishments of the Florida  
850 Virtual School within the state and those occurring outside the  
851 state as Florida Virtual School Global.

852 (b) The marketing and operational plan for the Florida  
853 Virtual School and Florida Virtual School Global, including  
854 recommendations regarding methods for improving the delivery of  
855 education through the Internet and other distance learning  
856 technology.

857 (c) The assets and liabilities of the Florida Virtual  
858 School and Florida Virtual School Global at the end of the  
859 fiscal year.

860 ~~(d) A copy of an annual financial audit of the accounts and~~  
861 ~~records of the Florida Virtual School and Florida Virtual School~~  
862 ~~Global, conducted by an independent certified public accountant~~  
863 ~~and performed in accordance with rules adopted by the Auditor~~  
864 ~~General.~~

865 (d)~~(e)~~ Recommendations regarding the unit cost of providing  
866 services to students through the Florida Virtual School and  
867 Florida Virtual School Global. In order to most effectively  
868 develop public policy regarding any future funding of the  
869 Florida Virtual School, it is imperative that the cost of the  
870 program is accurately identified. The identified cost of the

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871 program must be based on reliable data.

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

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

877 1010.01 Uniform records and accounts.—

878 (5) Each school district, Florida College System  
879 institution, and state university shall establish and maintain  
880 internal controls designed to:

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

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

885 (c) Support economical and efficient operations.

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

887 (e) Safeguard assets.

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

890 1010.30 Audits required.—

891 (2) If a school district, Florida College System  
892 institution, or university audit report includes a  
893 recommendation that was included in the preceding financial  
894 audit report but remains unaddressed ~~an audit contains a~~  
895 ~~significant finding~~, the district school board, the Florida  
896 College System institution board of trustees, or the university  
897 board of trustees, within 60 days after the delivery of the  
898 audit report to the school district, Florida College System  
899 institution, or university, shall indicate ~~conduct an audit~~

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900 ~~overview~~ during a regularly scheduled public meeting whether it  
901 intends to take corrective action, the intended corrective  
902 action, and the timeframe for the corrective action. If the  
903 district school board, Florida College System institution board  
904 of trustees, or university board of trustees indicates that it  
905 does not intend to take corrective action, it shall explain its  
906 decision at the public meeting.

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

909 218.503 Determination of financial emergency.—

910 (3) Upon notification that one or more of the conditions in  
911 subsection (1) have occurred or will occur if action is not  
912 taken to assist the local governmental entity or district school  
913 board, the Governor or his or her designee shall contact the  
914 local governmental entity or the Commissioner of Education or  
915 his or her designee shall contact the district school board, as  
916 appropriate, to determine what actions have been taken by the  
917 local governmental entity or the district school board to  
918 resolve or prevent the condition. The information requested must  
919 be provided within 45 days after the date of the request. If the  
920 local governmental entity or the district school board does not  
921 comply with the request, the Governor or his or her designee or  
922 the Commissioner of Education or his or her designee shall  
923 notify ~~the members of~~ the Legislative Auditing Committee, which  
924 ~~who~~ may take action pursuant to s. 11.40(2) ~~s. 11.40~~. The  
925 Governor or the Commissioner of Education, as appropriate, shall  
926 determine whether the local governmental entity or the district  
927 school board needs state assistance to resolve or prevent the  
928 condition. If state assistance is needed, the local governmental



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929 entity or district school board is considered to be in a state  
930 of financial emergency. The Governor or the Commissioner of  
931 Education, as appropriate, has the authority to implement  
932 measures as set forth in ss. 218.50-218.504 to assist the local  
933 governmental entity or district school board in resolving the  
934 financial emergency. Such measures may include, but are not  
935 limited to:

936 (a) Requiring approval of the local governmental entity's  
937 budget by the Governor or approval of the district school  
938 board's budget by the Commissioner of Education.

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

941 (c) Prohibiting a local governmental entity or district  
942 school board from issuing bonds, notes, certificates of  
943 indebtedness, or any other form of debt until such time as it is  
944 no longer subject to this section.

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

949 (e) Consulting with officials and auditors of the local  
950 governmental entity or the district school board and the  
951 appropriate state officials regarding any steps necessary to  
952 bring the books of account, accounting systems, financial  
953 procedures, and reports into compliance with state requirements.

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

956 (g)1. Establishing a financial emergency board to oversee  
957 the activities of the local governmental entity or the district

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958 school board. If a financial emergency board is established for  
959 a local governmental entity, the Governor shall appoint board  
960 members and select a chair. If a financial emergency board is  
961 established for a district school board, the State Board of  
962 Education shall appoint board members and select a chair. The  
963 financial emergency board shall adopt such rules as are  
964 necessary for conducting board business. The board may:

965       a. Make such reviews of records, reports, and assets of the  
966 local governmental entity or the district school board as are  
967 needed.

968       b. Consult with officials and auditors of the local  
969 governmental entity or the district school board and the  
970 appropriate state officials regarding any steps necessary to  
971 bring the books of account, accounting systems, financial  
972 procedures, and reports of the local governmental entity or the  
973 district school board into compliance with state requirements.

974       c. Review the operations, management, efficiency,  
975 productivity, and financing of functions and operations of the  
976 local governmental entity or the district school board.

977       d. Consult with other governmental entities for the  
978 consolidation of all administrative direction and support  
979 services, including, but not limited to, services for asset  
980 sales, economic and community development, building inspections,  
981 parks and recreation, facilities management, engineering and  
982 construction, insurance coverage, risk management, planning and  
983 zoning, information systems, fleet management, and purchasing.

984       2. The recommendations and reports made by the financial  
985 emergency board must be submitted to the Governor for local  
986 governmental entities or to the Commissioner of Education and

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987 the State Board of Education for district school boards for  
988 appropriate action.

989 (h) Requiring and approving a plan, to be prepared by  
990 officials of the local governmental entity or the district  
991 school board in consultation with the appropriate state  
992 officials, prescribing actions that will cause the local  
993 governmental entity or district school board to no longer be  
994 subject to this section. The plan must include, but need not be  
995 limited to:

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

999 2. Establishment of priority budgeting or zero-based  
1000 budgeting in order to eliminate items that are not affordable.

1001 3. The prohibition of a level of operations which can be  
1002 sustained only with nonrecurring revenues.

1003 4. Provisions implementing the consolidation, sourcing, or  
1004 discontinuance of all administrative direction and support  
1005 services, including, but not limited to, services for asset  
1006 sales, economic and community development, building inspections,  
1007 parks and recreation, facilities management, engineering and  
1008 construction, insurance coverage, risk management, planning and  
1009 zoning, information systems, fleet management, and purchasing.

1010 Section 24. The Legislature finds that a proper and  
1011 legitimate state purpose is served when internal controls are  
1012 established to prevent and detect fraud, waste, and abuse and to  
1013 safeguard and account for government funds and property.  
1014 Therefore, the Legislature determines and declares that this act  
1015 fulfills an important state interest.

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Section 25. This act shall take effect July 1, 2018.