

## Committee Substitute for Senate Bill No. 822

An act relating to government accountability and legal proceedings; amending s. 11.066, F.S.; providing that property of the state or a monetary recovery made on behalf of the state is not subject to a lien; amending s. 112.3175, F.S.; providing that certain contracts executed in violation of part III of ch. 112, F.S., are presumed void or voidable; amending s. 287.058, F.S.; clarifying current requirement that contractor on certain state contracts must allow access to public records unless the records are exempt; amending s. 287.059, F.S.; providing additional requirements for contracts for private attorney services; providing requirements for contingency fee contracts; providing for binding arbitration in fee disputes; providing requirements if multiple law firms are parties to a contract; providing requirements for private attorneys with respect to maintaining documents and records and making such documents and records available for inspection; creating s. 60.08, F.S.; providing for injunctions without bond when sought by the state or its agencies; amending s. 16.01, F.S.; clarifying that certain provisions are not intended to authorize the joinder of the Attorney General as party; amending s. 48.121, F.S.; clarifying that the section is not intended to authorize the joinder of the Attorney General or a state attorney as a party; amending s. 45.062, F.S.; providing additional requirements with respect to notification of certain settlements or orders; providing that certain settlements or orders shall be contingent upon and subject to legislative appropriation or statutory amendment; providing for the disposition of funds; providing legislative intent; amending s. 216.023, F.S.; providing for an inventory of all litigation in which an agency is involved which may require additional appropriations to the agency or amendments to the law under which the agency operates as a part of legislative budget requests; amending s. 284.385, F.S.; revising provisions relating to the reporting and handling of claims by the Department of Insurance covered by the State Risk Management Trust Fund; amending s. 45.051, F.S.; authorizing the Division of Risk Management to enter into indemnification agreements for supersedeas bonds; amending s. 11.40, F.S.; authorizing the Legislative Auditing Committee to direct the Auditor General and the Office of Program Policy Analysis and Government Accountability to conduct audits, reviews, and examinations of certain entities; authorizing the Legislative Auditing Committee to conduct investigations; authorizing the Legislative Auditing Committee to hold hearings; amending s. 11.42, F.S.; revising the requirements to become Auditor General; transferring report requirement; revising the employment restrictions for employees of the Auditor General; exempting the Auditor General from certain provisions; amending s. 11.45, F.S.; revising definitions; providing for duties of the Auditor General; transferring certain district school board authority; transferring the requirement that a charter school provide for an annual financial audit; transferring the requirement that certain district school boards have certain financial audits;

providing for authority of the Auditor General; providing for scheduling and staffing of audits conducted by the Auditor General; requiring the Legislative Auditing Committee to direct an audit of a municipality by the Auditor General under certain circumstances; authorizing a local governmental entity to request an audit by the Auditor General; transferring the requirement that the Office of Program Policy Analysis and Government Accountability maintain a schedule of performance audits; deleting the requirement that the Office of Program Policy Analysis and Government Accountability identify and comment upon certain alternatives in conducting a performance audit; transferring a report distribution requirement; transferring the annual financial auditing provisions related to local governmental entities; transferring the auditor selection procedures for local governmental entities, district school boards, and charter schools; transferring the penalty provisions for failure to file an annual financial audit; providing for Auditor General reporting requirements; transferring the penalty provisions for failure by a local governmental entity to pay for the cost of an audit by the Auditor General; transferring the Legislative Auditing Committee's authority to conduct investigations; deleting the content required within an audit report issued by the Auditor General; deleting the requirement that an agency head must file a report; deleting a report issued by the Auditor General and the Office of Program Policy Analysis and Government Accountability; transferring the authority for district school boards and district boards of trustees of community colleges for performance audits and financial audits; amending s. 11.47, F.S.; requiring certain officers to provide the Office of Program Policy Analysis and Government Accountability with information; requiring the staff of the Office of Program Policy Analysis and Government Accountability to make proper examinations; providing criminal penalties for false reports; providing penalties for persons who fail to provide the Office of Program Policy Analysis and Government Accountability with records; amending s. 11.51, F.S.; redefining the duties of the office; eliminating the provision requiring the Auditor General to provide administrative support for the office; requiring the office to maintain a schedule of examinations; providing authority to the office to examine certain programs; requiring the office to deliver preliminary findings; providing deadlines for responses to preliminary findings; requiring the office to conduct followup reports; amending s. 11.511, F.S.; redefining the duties of the director of the Office of Program Policy Analysis and Government Accountability; revising employment restrictions for the office staff; providing for postponement of examinations; amending s. 11.513, F.S.; correcting cross references; transferring the authority of the Legislative Auditing Committee; transferring and rewording the authority of the director of the Office of Program Policy Analysis and Government Accountability to postpone projects; amending ss. 14.29, 20.2551, 288.1226, 320.08058, and 943.2569, F.S.; providing for audits of programs; amending s. 20.055, F.S.; transferring the review of state agencies' internal audit reports conducted by the Auditor General; providing responsibilities to agencies' inspectors

general; amending ss. 24.105, 39.202, 119.07, 195.084, 213.053, 944.719, and 948.15, F.S.; providing authority to the Office of Program Policy Analysis and Government Accountability to access confidential records; amending s. 24.120, F.S.; requiring the Department of the Lottery to provide access to the facilities of the department to the Office of Program Policy Analysis and Government Accountability; amending s. 27.3455, F.S.; deleting a reporting requirement; correcting cross references; amending ss. 30.51, 116.07, 122.03, 122.08, 145.022, 145.14, 154.331, 206.60, 212.08, 290.0056, 403.864, 657.008, and 946.31, F.S.; deleting obsolete provisions; amending ss. 110.109, 216.177, 216.178, 216.292, 334.0445, and 985.311, F.S.; designating the Office of Program Policy Analysis and Government Accountability as a recipient of information; amending s. 112.313, F.S.; expanding the definition of employees subject to postemployment restrictions to include the director of the Office of Program Policy Analysis and Government Accountability; amending s. 112.324, F.S.; expanding the list of persons subject to consequences regarding a breach of public trust to include the director and staff of the Office of Program Policy Analysis and Government Accountability; amending ss. 112.63, 175.261, 185.221, 189.4035, 189.412, 189.418, 189.419, 215.94, 230.23025, and 311.07, F.S.; correcting cross references; amending s. 125.01, F.S.; deleting a requirement that the Auditor General retain county audit reports for a specific period of time; amending ss. 154.11, 253.025, and 259.041, F.S.; revising provisions related to the Auditor General; amending s. 163.356, F.S.; deleting the Auditor General from the list of entities receiving a report from a community redevelopment agency; amending s. 189.428, F.S.; revising the criteria to be utilized by a local government conducting an oversight review of a special district; amending ss. 193.074 and 196.101, F.S.; requiring the Office of Program Policy Analysis and Government Accountability to maintain confidentiality of records; amending ss. 195.096, 228.056, 228.505, 455.32, and 471.038, F.S.; revising provisions related to certain audits; amending s. 215.44, F.S.; deleting the requirement that the Auditor General annually audit the State Board of Administration; revising provisions related to an examination by the Office of Program Policy Analysis and Government Accountability; creating s. 215.86, F.S.; providing for management systems and controls for state agencies; creating s. 215.98, F.S.; providing for audits of direct-support organizations and citizen support organizations; amending ss. 229.8021, 237.40, 240.299, 240.2995, 240.331, 240.3315, 240.5285, 240.711, 250.115, 266.0018, 267.17, 288.1229, 288.809, 372.0215, 413.615, 413.87, 446.609, 944.802, 960.002, and 985.4145, F.S.; providing for audits of direct-support organizations and citizen support organizations; amending s. 218.31, F.S.; providing additional definitions; amending s. 218.32, F.S.; providing that certain entities file an audit report with the Department of Banking and Finance; correcting a cross reference; providing for the Department of Banking and Finance to prescribe the format of local governmental entities that are required to provide for certain audits; transferring the penalty provisions relating to failure of a local governmental entity to file an annual financial report with the Department of

Banking and Finance; amending s. 218.33, F.S.; revising provisions related to the establishment of uniform accounting practices and procedures; amending s. 218.38, F.S.; transferring penalty provisions for failure to verify or provide information to the Division of Bond Finance within the State Board of Administration; creating s. 218.39, F.S.; providing for audits of local governmental entities, district school boards, charter schools, and charter technical career centers; providing for the format of county audits; authorizing dependent special districts to be included within the audit of a county or municipality; prohibiting an independent special district from being included within the audit of a county or municipality; providing for a management letter within each audit report; providing for discussion of the auditor's findings and recommendations; providing for a response to the auditor's findings and recommendations; requiring that a predecessor auditor of a district school board provide the Auditor General with access to the prior year's working papers; requiring certain audits to be conducted in accordance with rules adopted by the Auditor General; creating s. 218.391, F.S.; providing for auditor selection procedures; amending s. 218.415, F.S.; correcting a cross reference; transferring responsibilities of the Auditor General; transferring penalty provisions; amending s. 228.093, F.S.; providing authority to the Office of Program Policy Analysis and Government Accountability to access records; requiring the Office of Program Policy Analysis and Government Accountability to maintain confidentiality of records; requiring the office to destroy personally identifiable data under certain circumstances; amending s. 230.23, F.S.; authorizing school boards to employ an internal auditor; authorizing school boards to hire independent certified public accountants; amending s. 240.214, F.S.; clarifying that accountability reports are to be designed in consultation with the Office of Program Policy Analysis and Government Accountability; amending s. 240.311, F.S.; providing authority to the Office of Program Policy Analysis and Government Accountability to require and receive supplemental data; creating s. 240.3631, F.S.; authorizing district boards of trustees of community colleges to hire an independent certified public accountant to conduct audits; amending s. 240.512, F.S.; providing authority to the Office of Program Policy Analysis and Government Accountability to require and receive supplemental data; providing authority to the Office of Program Policy Analysis and Government Accountability to access confidential records; requiring the office to maintain confidentiality; amending s. 240.551, F.S.; providing for audits of direct-support organizations; deleting a paragraph which provides for audits of direct-support organizations; amending ss. 240.609, 288.9517, 296.17, 296.41, 403.1826, 550.125, 601.15, and 744.708, F.S.; providing authority to the Office of Program Policy Analysis and Government Accountability to examine programs; amending s. 290.015, F.S.; providing responsibilities to the Office of Program Policy Analysis and Government Accountability regarding the Florida Enterprise Zone Act of 1994; amending ss. 320.023, 320.08062, and 322.081, F.S.; deleting provisions related to audits of certain organizations; requiring annual attestations of certain organizations; transferring the Auditor General's authority to

conduct audits; amending s. 339.406, F.S.; revising provisions related to audits of transportation corporations; providing the Department of Transportation and the Auditor General with the authority to conduct audits of transportation corporations; amending s. 365.171, F.S.; revising the provision related to auditing the 911 fees; correcting a cross reference; amending s. 373.45926, F.S.; replacing certain terms; amending s. 373.507, F.S.; deleting an obsolete provision; correcting a cross reference; providing for the distribution of audits of water management districts; amending ss. 402.73, 411.01, and 413.88, F.S.; deleting provisions related to an audit by the Auditor General; amending s. 403.8532, F.S.; replacing certain terms; amending s. 411.221, F.S.; adding reports issued by the Office of Program Policy Analysis and Government Accountability to the information considered in strategic plan revisions; amending s. 570.903, F.S.; transferring the authority for certain direct-support organizations to conduct business; providing for audits of direct-support organizations; amending s. 616.263, F.S.; providing the Auditor General with the authority to conduct audits; amending s. 943.25, F.S.; providing for the conduct of audits of the criminal justice trust fund; amending s. 944.512, F.S.; providing that certain costs are to be certified by a prosecuting attorney and an imprisoning entity and subject to review by the Auditor General; amending s. 957.07, F.S.; providing responsibilities for the Department of Corrections and the Auditor General; amending ss. 957.11 and 985.416, F.S.; transferring duties from the Auditor General to the Office of Program Policy Analysis and Government Accountability; repealing s. 11.149, F.S., relating to nonapplication of certain provisions to the Legislative Auditing Committee or the Auditor General; repealing s. 11.46, F.S., relating to accounting procedures; repealing s. 125.901(2)(e), F.S., relating to audits of independent special districts related to children's services; repealing ss. 215.56005(2)(l), 216.2815, 228.053(11), 228.082(6), 253.037(3), 288.906(2), 288.9616, 298.65, 348.69, 374.987(3), 380.510(8), 400.335, 403.1837(14), 440.49(14)(i), and 517.1204(14), F.S., relating to authority of the Auditor General to conduct audits; repealing s. 218.415(23), F.S., relating to local government investments; repealing s. 265.607, F.S., relating to audits of local cultural sponsoring organizations; repealing s. 331.419(3), F.S.; deleting obsolete provisions; repealing s. 339.413, F.S., relating to audits of transportation corporations; repealing s. 373.589, F.S., relating to audits of water management districts; repealing s. 388.331, F.S., relating to audits of mosquito control districts and mosquito control programs; repealing ss. 570.912, 581.195, 589.013, and 590.612, F.S., relating to direct support organizations within the Department of Agriculture; amending s. 189.4042, F.S.; providing that an inactive independent special district that was created by a county or municipality through a referendum may be dissolved by the county or municipality after publication of notice as required for the declaration of the inactive status of a special district; amending s. 189.4044, F.S.; reducing the number of weeks such notice of declaration of inactive status must be published; amending s. 189.418, F.S.; providing that a dependent

special district may only be budgeted separately with concurrence of the local governing authority upon which said dependent special district is dependent; deleting a requirement that the proposed budget of an independent special district located in one county be filed with the county; deleting requirements for each special district to file certain reports, information, and audits with the local governing authority; amending s. 189.419, F.S., to conform; amending s. 189.429, F.S.; providing the effect of the reenactment of existing law pursuant to the required codification of a special district charter; repealing s. 218.34, F.S., which provides for special district financial matters; amending s. 121.055, F.S.; providing for mandatory participation of assistant attorneys general in the Senior Management Service Class; providing an appropriation; providing for severability; providing an effective date.

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

Section 1. Subsection (5) is added to section 11.066, Florida Statutes, to read:

11.066 Suits seeking monetary damages against the state or its agencies; payment of judgments; appropriations required.—

(5) The property of the state, the property of any state agency, or any monetary recovery made on behalf of the state or any state agency is not subject to a lien of any kind.

Section 2. Section 112.3175, Florida Statutes, is amended to read:

112.3175 Remedies; contracts voidable.—

(1) Any contract that which has been executed in violation of this part is voidable:

(a)(1) By any party to the contract.

(b)(2) In any circuit court, by any appropriate action, by:

1.(a) The commission.

2.(b) The Attorney General.

3.(c) Any citizen materially affected by the contract and residing in the jurisdiction represented by the officer or agency entering into such contract.

(2) Any contract that has been executed in violation of this part is presumed void with respect to any former employee or former public official of a state agency and is voidable with respect to any private-sector third party who employs or retains in any capacity such former agency employee or former public official.

Section 3. Subsection (1) of section 287.058, Florida Statutes, is amended to read:

287.058 Contract document.—

(1) Every procurement of contractual services in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO, except for the providing of health and mental health services or drugs in the examination, diagnosis, or treatment of sick or injured state employees or the providing of other benefits as required by the provisions of chapter 440, shall be evidenced by a written agreement embodying all provisions and conditions of the procurement of such services, which provisions and conditions shall, where applicable, include, but shall not be limited to:

(a) A provision that bills for fees or other compensation for services or expenses be submitted in detail sufficient for a proper preaudit and postaudit thereof.

(b) A provision that bills for any travel expenses be submitted in accordance with s. 112.061. A state agency may establish rates lower than the maximum provided in s. 112.061.

(c) A provision allowing unilateral cancellation by the agency for refusal by the contractor to allow public access to all documents, papers, letters, or other material ~~subject to the provisions of chapter 119 and made or received by the contractor in conjunction with the contract, unless the records are exempt from s. 24(a) of Art. I of the State Constitution and s. 119.07(1).~~

(d) A provision dividing the contract into units of deliverables, which shall include, but not be limited to, reports, findings, and drafts, that must be received and accepted in writing by the contract manager prior to payment.

(e) A provision specifying the criteria and the final date by which such criteria must be met for completion of the contract.

(f) A provision specifying that the contract may be renewed on a yearly basis for a period of up to 2 years after the initial contract or for a period no longer than the term of the original contract, whichever period is longer, specifying the terms under which the cost may change as determined in the invitation to bid or request for proposals, and specifying that renewals shall be contingent upon satisfactory performance evaluations by the agency and subject to the availability of funds.

In lieu of a written agreement, the department may authorize the use of a purchase order for classes of contractual services, provided the provisions of paragraphs (a)-(f) are included in the purchase order, invitation to bid, or request for proposals. The purchase order shall include an adequate description of the services, the contract period, and the method of payment. In lieu of printing the provisions of paragraphs (a)-(f) in the contract document or purchase order, agencies may incorporate the requirements of paragraphs (a)-(f) by reference.

Section 4. Section 287.059, Florida Statutes, is amended to read:

287.059 Private attorney services.—

(1) For purposes of this section, the term “agency” or “state agency” includes state officers, departments, boards, commissions, divisions, bureaus, councils, and units of organization, however designated, of the executive branch of state government, community and junior colleges, and multi-county special districts exclusive of those created by interlocal agreement or which have elected governing boards.

(2) No agency shall contract for private attorney services without the prior written approval of the Attorney General, except that such written approval is not required for private attorney services:

(a) Procured by the Executive Office of the Governor or any department under the exclusive jurisdiction of a single Cabinet officer.

(b) Provided by legal services organizations to indigent clients.

(c) Necessary to represent the state in litigation involving the State Risk Management Trust Fund pursuant to part II of chapter 284.

(d) Procured by the Board of Regents and the universities of the State University System.

(e) Procured by community and junior colleges and multicounty special districts.

(f) Procured by the Board of Trustees for the Florida School for the Deaf and the Blind.

(3) An agency requesting approval for the use of private attorney services shall first offer to contract with the Department of Legal Affairs for such attorney services at a cost pursuant to mutual agreement. The Attorney General shall decide on a case-by-case basis to accept or decline to provide such attorney services as staffing, expertise, or other legal or economic considerations warrant. If the Attorney General declines to provide the requested attorney services, the Attorney General’s written approval shall include a statement that the private attorney services requested cannot be provided by the office of the Attorney General or that such private attorney services are cost-effective in the opinion of the Attorney General. The Attorney General shall not consider political affiliation in making such decision. The office of the Attorney General shall respond to the request of an agency for prior written approval within 10 working days after receiving such request. The Attorney General may request additional information necessary for evaluation of a request. The Attorney General shall respond to the request within 10 working days after receipt of the requested information. Those agencies exempt from written approval from the Attorney General, as described in paragraphs (2)(a)-(f), may contract with the Department of Legal Affairs for attorney services. The Attorney General shall determine on a case-by-case basis whether to provide such attorney services as staffing, expertise, or other legal considerations warrant. The Attorney General may adopt, by rule, a form on which agencies requesting written approval for private attorney services shall provide information concerning:



(a) The nature of the attorney services to be provided and the issues involved.

(b) The need for use of private attorneys, rather than agency staff attorneys, utilizing the criteria provided in subsection (9) ~~(8)~~.

(c) The criteria by which the agency selected the private attorney or law firm it proposes to employ, utilizing the criteria provided in subsection (10) ~~(9)~~.

(d) Competitive fees for similar attorney services.

(e) The agency's analysis estimating the number of hours for attorney services, the costs, the total contract amount, and, when appropriate, a risk or cost-benefit analysis.

(f) Which partners, associates, paralegals, research associates, or other personnel will be used, and how their time will be billed to the agency.

(g) Any other information which the Attorney General deems appropriate for the proper evaluation of the need for such private attorney services.

(4) When written approval has been received from the Attorney General, the general counsel for the agency shall review the form and legality of the contract for private attorney services and shall indicate his or her approval by signing the contract written final approval must be obtained from the agency head, or designee of the agency head, prior to the contracting for private attorney services. After a contract is approved and signed by the general counsel, in order to effectuate that contract the agency head must sign the contract. The agency head shall also maintain custody of the contract.

(5) The agency head or a designee shall give written approval prior to contracting for private attorney services for all agencies exempt from written approval of the Attorney General as described in paragraphs (2)(a)-(f).

(6) The Attorney General shall, by rule, adopt a standard fee schedule for private attorney services using hourly rates or an alternative billing methodology. The Attorney General shall take into consideration the following factors:

(a) Type of controversy involved and complexity of the legal services needed.

(b) Geographic area where the attorney services are to be provided.

(c) Novelty of the legal questions involved.

(d) Amount of experience desired for the particular kind of attorney services to be provided.

(e) Other factors deemed appropriate by the Attorney General.

(f) The most cost-effective or appropriate billing methodology.

(7)(a) A contingency fee contract must be commercially reasonable. As used in this subsection, the term “commercially reasonable” means no more than the amount permissible pursuant to rule 4-1.5 of the rules regulating The Florida Bar and case law interpreting that rule.

(b) If the amount of the fee is in dispute, the counsel retained by the state shall participate in mandatory binding arbitration. Payment of all attorney's fees is subject to appropriation. Attorney's fees shall be forfeited if, during the pendency of the case, the counsel retained by the state takes a public position that is adverse to the state's litigation or settlement posture.

~~(8)(7)~~ All agencies, when contracting for private attorney services, must use the standard fee schedule for private attorney services as established pursuant to this section unless the head of the agency, or his or her designee, waives use of the schedule and sets forth the reasons for deviating from the schedule in writing to the Attorney General. Such waiver must demonstrate necessity based upon criteria for deviation from the schedule which the Attorney General shall establish by rule.

~~(9)(8)~~ The Attorney General shall develop guidelines that may be used by agencies to determine when it is necessary and appropriate to seek private attorney services in lieu of staff attorney services.

~~(10)(9)~~ Agencies are encouraged to use the following criteria when selecting outside firms for attorney services:

- (a) The magnitude or complexity of the case.
- (b) The firm's ratings and certifications.
- (c) The firm's minority status.
- (d) The firm's physical proximity to the case and the agency.
- (e) The firm's prior experience with the agency.
- (f) The firm's prior experience with similar cases or issues.
- (g) The firm's billing methodology and proposed rate.
- (h) The firm's current or past adversarial position, or conflict of interest, with the agency.
- (i) The firm's willingness to use resources of the agency to minimize costs.

~~(11)(10)~~ The Attorney General shall develop a standard addendum to every contract for attorney services that must be used by all agencies, unless waived by the Attorney General, describing in detail what is expected of both the contracted private attorney and the contracting agency. The addendum must address the internal system of governance if multiple law firms are parties to the contract and must, at a minimum, require that each firm identify one member who is authorized to legally bind the firm.

(12)(11) Contracts for attorney services shall be originally executed for 1 year only, except that multiyear contracts may be entered into provided they are subject to annual appropriations and annual written approval from the Attorney General as described in subsection (3). Any amendments to extend the contract period or increase the billing rate or overall contract amount shall be considered new contracts for purposes of the written approval process described in subsection (3).

(13)(12) The office of the Attorney General shall periodically prepare and distribute to agencies a roster by geographic location of private attorneys under contract with agencies, their fees, and primary area of legal specialization.

(14)(13) The office of the Attorney General is authorized to competitively bid and contract with one or more court reporting services, on a circuitwide basis, on behalf of all state agencies in accordance with s. 287.057(2). The office of the Attorney General shall develop requests for proposal for court reporter services in consultation with the Florida Court Reporters Association. All agencies shall utilize the contracts for court reporting services entered into by the Office of the Attorney General where in force, unless otherwise ordered by a court or unless an agency has a contract for court reporting services executed prior to May 5, 1993.

(15)(14) The Attorney General's office may, by rule, adopt standard fee schedules for court reporting services for each judicial circuit in consultation with the Florida Court Reporters Association. Agencies, when contracting for court reporting services, must use the standard fee schedule for court reporting services established pursuant to this section, provided no state contract is applicable or unless the head of the agency or his or her designee waives use of the schedule and sets forth the reasons for deviating from the schedule in writing to the Attorney General. Such waiver must demonstrate necessity based upon criteria for deviation from the schedule which the Attorney General shall establish by rule. Any proposed fee schedule under this section shall be submitted to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the Chief Justice of the Florida Supreme Court at least 60 days prior to publication of the notice to adopt the rule.

(16) Each private attorney who is under contract to provide attorney services for the state or a state agency shall, from the inception of the contractual relationship until at least 4 years after the contract expires or terminates, maintain detailed current records, including documentation of all expenses, disbursements, charges, credits, underlying receipts and invoices, and other financial transactions that concern the provision of such attorney services. The private attorney shall make all such records available for inspection and copying upon request in accordance with chapter 119.

Section 5. Section 60.08, Florida Statutes, is created to read:

60.08 Injunctions sought by the state pursuant to statute shall issue without bond.—In any action for injunctive relief sought by the state or one of its agencies as provided in ss. 501.207(1)(b), 542.23, and 895.05(5), any

injunction sought shall issue without bond or surety and no bond or surety shall be required during the term of the injunction.

Section 6. Subsection (5) of section 16.01, Florida Statutes, is amended to read:

16.01 Residence, office, and duties of Attorney General.—The Attorney General:

(5) Shall appear in and attend to such suits or prosecutions in any other of the courts of this state or in any courts of any other state or of the United States. This subsection is not intended to authorize the joinder of the Attorney General as a party in such suits or prosecutions.

Section 7. Section 48.121, Florida Statutes, is amended to read:

48.121 Service on the state.—When the state has consented to be sued, process against the state shall be served on the state attorney or an assistant state attorney for the judicial circuit within which the action is brought and by sending two copies of the process by registered or certified mail to the Attorney General. The state may serve motions or pleadings within 40 days after service is made. This section is not intended to authorize the joinder of the Attorney General or a state attorney as a party in such suit or prosecution.

Section 8. Section 45.062, Florida Statutes, is amended to read:

45.062 Settlements, conditions, or orders when an agency of the executive branch is a party.—

(1) In any civil action in which a state executive branch agency or officer is a party in state or federal court, the officer, agent, official, or attorney who represents or is acting on behalf of such agency or officer may not settle such action, consent to any condition, or agree to any order in connection therewith, if the settlement, condition, or order requires the expenditure of or the obligation to expend any state funds or other state resources, or the establishment of any new program, unless:

(a) The expenditure is provided for by an existing appropriation or program established by law; and

(b) Prior written notification is given within 5 business days of the date the settlement or presettlement agreement or order is to be made final to the President of the Senate, the Speaker of the House of Representatives, the Senate and House minority leaders, and the Attorney General. Such notification shall specify how the agency involved will address the costs in future years within the limits of current appropriations.

(2) The state executive branch agency or officer shall negotiate a closure date as soon as possible for the civil action.

(3) The state executive branch agency or officer may not pledge any current or future action of another branch of state government as a condition for settling the civil action.

(4) Any settlement that commits the state to spending in excess of current appropriations or to policy changes inconsistent with current state law shall be contingent upon and subject to legislative appropriation or statutory amendment. The state agency or officer may agree to use all efforts to procure legislative funding or statutory amendment.

(5) State agencies and officers shall report to each substantive and fiscal committee of the Legislature having jurisdiction over the reporting agency on all potential settlements that may commit the state to:

(a) Spend in excess of current appropriations; or

(b) Policy changes inconsistent with current state law.

The state agency or officer shall provide periodic updates to the appropriate legislative committees on these issues during the settlement process.

Section 9. Subsection (13) is added to section 216.023, Florida Statutes, to read:

216.023 Legislative budget requests to be furnished to Legislature by agencies.—

(13) As a part of the legislative budget request, the head of each state agency shall include an inventory of all litigation in which the agency is involved which may require additional appropriations to the agency or amendments to the law under which the agency operates. No later than March 1 following the submission of the legislative budget request, the head of the state agency shall provide an update of any additions or changes to the inventory. Such inventory shall include those items specified annually in the legislative budget instructions.

Section 10. Section 284.385, Florida Statutes, is amended to read:

284.385 Reporting and handling of claims.—All departments covered by the State Risk Management Trust Fund under this part shall immediately report all known or potential claims to the Department of Insurance for handling, except employment complaints which have not been filed with the Florida Human Relations Commission, Equal Employment Opportunity Commission, or any similar agency. When deemed necessary, the Department of Insurance shall assign or reassign the claim to counsel. The assigned counsel shall report regularly to the Department of Insurance and to the covered department on the status of any such claims or litigation as required by the Department of Insurance. No such claim shall be compromised or settled for monetary compensation without the prior approval of the Department of Insurance and prior notification to the covered department. All departments shall cooperate with the Department of Insurance in its handling of claims. The Department of Insurance, the Department of Management Services, and the Department of Banking and Finance, with the cooperation of the state attorneys and the clerks of the courts, shall develop a system to coordinate the exchange of information concerning claims for and against the state, its agencies, and its subdivisions, to assist in collection of amounts due to them. The covered department shall have the

responsibility for the settlement of any claim for injunctive or affirmative relief under 42 U.S.C. s. 1983 or similar federal or state statutes. The payment of a settlement or judgment for any claim covered and reported under this part shall be made only from the State Risk Management Trust Fund.

Section 11. Section 45.051, Florida Statutes, is amended to read:

45.051 Execution of supersedeas bond when required of the state or its political subdivisions.—

(1) When a supersedeas bond is required by the appellate court under Rule 9.310(b)(2), Florida Rules of Appellate Procedure or an appeal or other proceeding is taken in any court and there is no court rule or statute exempting the parties from giving supersedeas, cost, or other required bond, the parties are authorized to make and execute the required bond with a corporate surety thereon duly licensed to do business in this state. The premium or other cost for the bond may be paid from the general necessary and regular appropriation of the party taking the appeal, in the case of the state or any of its officers, boards, commissioners or other agencies, and from the county general fund, district school general fund, or otherwise as the case may be, in the case of a political subdivision of the state or any of its officers, boards, commissions or other agencies. The officers of the state and its political subdivisions and the executive officers of their boards, commissions, and other agencies aforesaid, are authorized to make and execute the bonds on behalf of the parties.

(2) In connection with an appeal taken by a state employee or official of a judgment against that employee or official in an individual capacity, as part of the legal defense being provided by the state risk management program, the Division of Risk Management may enter into an indemnification agreement for the purpose of securing an appellate supersedeas bond, provided that, under any such agreement, the liability of the State of Florida is limited to the amount of the judgment being appealed and any costs imposed by law or the appropriate court.

Section 12. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared severable.

Section 13. Subsections (3), (4), and (5) are added to section 11.40, Florida Statutes, to read:

11.40 Legislative Auditing Committee.—

(3) The Legislative Auditing Committee may direct the Auditor General or the Office of Program Policy Analysis and Government Accountability to conduct an audit, review, or examination of any entity or record described in s. 11.45(2) or (3).

(4) The Legislative Auditing Committee may take under investigation any matter within the scope of an audit, review, or examination either

completed or then being conducted by the Auditor General or the Office of Program Policy Analysis and Government Accountability, and, in connection with such investigation, may exercise the powers of subpoena by law vested in a standing committee of the Legislature.

(5) Following notification by the Auditor General, the Department of Banking and Finance, or the Division of Bond Finance of the State Board of Administration of the failure of a local governmental entity, district school board, charter school, or charter technical career center to comply with the applicable provisions within s. 11.45(5)-(7), s. 218.32(1), or s. 218.38, the Legislative Auditing Committee may schedule a hearing. If a hearing is scheduled, the committee shall determine if the entity should be subject to further state action. If the committee determines that the entity should be subject to further state action, the committee shall:

(a) In the case of a local governmental entity or district school board, request the Department of Revenue and the Department of Banking and Finance to withhold any funds not pledged for bond debt service satisfaction which are payable to such entity until the entity complies with the law. The committee, in its request, shall specify the date such action shall begin, and the request must be received by the Department of Revenue and the Department of Banking and Finance 30 days before the date of the distribution mandated by law. The Department of Revenue and the Department of Banking and Finance are authorized to implement the provisions of this paragraph.

(b) In the case of a special district, notify the Department of Community Affairs that the special district has failed to comply with the law. Upon receipt of notification, the Department of Community Affairs shall proceed pursuant to the provisions specified in ss. 189.421 and 189.422.

(c) In the case of a charter school or charter technical career center, notify the appropriate sponsoring entity, which may terminate the charter pursuant to ss. 228.056 and 228.505.

Section 14. Subsections (2), (6), and (8) of section 11.42, Florida Statutes, are amended, and subsection (9) is added to said section, to read:

11.42 The Auditor General.—

(2) The Auditor General shall be appointed to office to serve at the pleasure of the Legislature, by a majority vote of the members of the Legislative Auditing Committee, subject to confirmation by both houses of the Legislature. At the time of her or his appointment, the Auditor General shall have been certified under the Public Accountancy Law in this state for a period of at least 10 years and shall have had not less than 10 years' experience in an accounting or auditing related field a governmental agency or 10 years' experience in the private sector or a combination of 10 years' experience in government and the private sector. Vacancies in the office shall be filled in the same manner as the original appointment.

(6)(a) The headquarters of the Auditor General shall be at the state capital, but to facilitate auditing and to eliminate unnecessary traveling the

~~Auditor General may establish field offices located outside the state capital divisions and assign auditors to each division and determine their duties and the areas of the state to be served by the respective divisions. The Auditor General shall be provided with adequate quarters to carry out the position's functions in the state capital and in other areas of the state.~~

(b) All payrolls and vouchers for the operations of the Auditor General's office shall be submitted ~~directly~~ to the Comptroller and, if found to be correct, payments state warrants shall be issued therefor.

~~(c) The Auditor General shall transmit to the President of the Senate and the Speaker of the House of Representatives by January 1 of each year a list of statutory and fiscal changes recommended by audit reports. The recommendations should be presented in two categories: one addressing substantive law and policy issues and the other addressing budget issues. The Auditor General may also transmit recommendations at other times of the year when the information would be timely and useful for the Legislature.~~

(8) No officer or salaried full-time employee of the office of Auditor General shall ~~actively engage in any other business or profession~~; serve as the representative of any political party or on any executive committee or other governing body thereof; serve as an executive, officer, or employee of any political party committee, organization, or association; or be engaged on behalf of any candidate for public office in the solicitation of votes or other activities in behalf of such candidacy. Neither the Auditor General nor any employee of the Auditor General may shall become a candidate for election to public office unless she or he shall first resigns resign from office or employment. No officer or salaried employee of the Auditor General shall actively engage in any other business or profession or be otherwise employed without the prior written permission of the Auditor General.

(9) Sections 11.25(1) and 11.26 shall not apply to the Auditor General.

Section 15. Section 11.45, Florida Statutes, is amended to read:

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

(1) DEFINITIONS.—As used in ss. 11.40-11.515 ~~this section~~, the term:

(a) "Audit" means a financial audit, operational audit, or performance audit.

(b)(a) "County agency," for the exclusive purposes of this section, means a board of county commissioners or other legislative and governing body of a county, however styled, including that of a consolidated or metropolitan government, a clerk of the circuit court, a separate or ex officio clerk of the county court, a sheriff, a property appraiser, a tax collector, a supervisor of elections, or any other officer in whom any portion of the fiscal duties of the above are under law separately placed. Each county agency is a local governmental entity for purposes of subparagraph (3)(a)5.

(c)(b) "Financial audit" means an examination of financial statements in order to express an opinion on the fairness with which they are presented



~~present financial position, results of operations, and changes in financial position~~ in conformity with generally accepted accounting principles and an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements. Financial audits must be conducted in accordance with generally accepted auditing standards and government ~~governmental~~ auditing standards as adopted by the Board of Accountancy.

~~(d)~~<sup>(e)</sup> “Governmental entity” means a state agency, a county agency, or any other entity, however styled, that independently exercises any type of state or local governmental function.

~~(e)~~<sup>(d)</sup> “Local governmental entity” means a county agency, municipality, or special district as defined in s. 189.403, but does not include any housing authority established under chapter 421.

~~(f)~~<sup>(e)</sup> “Management letter” means a statement of the auditor’s comments and recommendations.

~~(g)~~<sup>(f)</sup> “Operational audit” means a financial-related audit whose purpose is to evaluate management’s performance in administering assigned responsibilities in accordance with applicable laws, administrative rules, and other guidelines and to determine the extent to which the internal control, as designed and placed in operation, promotes and encourages the achievement of management’s control objectives in the categories of compliance, economic and efficient operations, reliability of financial records and reports, and safeguarding of assets.

~~(h)~~<sup>(g)</sup> “Performance audit” means an examination of a program, activity, or function of a governmental entity, conducted in accordance with applicable government auditing standards or auditing and evaluation standards of other appropriate authoritative bodies. The term includes an examination of issues related to:

1. Economy, efficiency, or effectiveness of the program.
2. Structure or design of the program to accomplish its goals and objectives.
3. Adequacy of the program to meet the needs identified by the Legislature or governing body.
4. Alternative methods of providing program services or products.
5. Goals, objectives, and performance measures used by the agency to monitor and report program accomplishments.
6. The accuracy or adequacy of public documents, reports, or requests prepared under the program by state agencies.
7. Compliance of the program with appropriate policies, rules, or laws.
8. Any other issues related to governmental entities as directed by the Legislative Auditing Committee.

(i)(h) “Political subdivision” means a separate agency or unit of local government created or established by law and includes, but is not limited to, the following and the officers thereof: authority, board, branch, bureau, city, commission, consolidated government, county, department, district, institution, metropolitan government, municipality, office, officer, public corporation, town, or village.

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

(2) DUTIES.—The Auditor General shall:

(a) Conduct make financial audits and performance audits of public records and perform related duties as prescribed by law, or concurrent resolution of the Legislature, or as directed. The Auditor General shall perform his or her duties independently but under the general policies established by the Legislative Auditing Committee.

(b) Annually conduct a financial audit of state government.

(c) Annually conduct financial audits of all universities and district boards of trustees of community colleges.

(d) Annually conduct financial audits of the accounts and records of all district school boards in counties with populations of fewer than 125,000, according to the most recent federal decennial statewide census.

(e) Annually conduct an audit of the Wireless Emergency Telephone System Fund as described in s. 365.173.

(f) At least every 2 years, conduct operational audits of the accounts and records of state agencies and universities. In connection with these audits, the Auditor General shall give appropriate consideration to reports issued by state agencies’ inspectors general or universities’ inspectors general and the resolution of findings therein.

(g) At least every 2 years, conduct a performance audit of the local government financial reporting system, which, for the purpose of this chapter, means any statutory provisions related to local government financial reporting. The purpose of such an audit is to determine the accuracy, efficiency, and effectiveness of the reporting system in achieving its goals and to make recommendations to the local governments, the Governor, and the Legislature as to how the reporting system can be improved and how program costs can be reduced. The local government financial reporting system should provide for the timely, accurate, uniform, and cost-effective accumulation of financial and other information that can be used by the members of the Legislature and other appropriate officials to accomplish the following goals:

1. Enhance citizen participation in local government;
2. Improve the financial condition of local governments;
3. Provide essential government services in an efficient and effective manner; and
4. Improve decisionmaking on the part of the Legislature, state agencies, and local government officials on matters relating to local government.

(h) Once every 3 years, conduct performance audits of the Department of Revenue's administration of the ad valorem tax laws as described in s. 195.096.

(i) Once every 3 years, conduct financial audits of the accounts and records of all district school boards in counties with populations of 125,000 or more, according to the most recent federal decennial statewide census.

(j) Once every 3 years, review a sample of each state agency's internal audit reports to determine compliance with current Standards for the Professional Practice of Internal Auditing or, if appropriate, government auditing standards.

(k) Conduct audits of local governmental entities when determined to be necessary by the Auditor General, when directed by the Legislative Auditing Committee, or when otherwise required by law. No later than 18 months after the release of the audit report, the Auditor General shall perform such appropriate followup procedures as he or she deems necessary to determine the audited entity's progress in addressing the findings and recommendations contained within the Auditor General's previous report. The Auditor General shall provide a copy of his or her determination to each member of the audited entity's governing body and to the Legislative Auditing Committee.

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

### (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—

~~(a)1. The Auditor General shall annually make financial audits of the accounts and records of all state agencies, as defined in this section, of all district school boards in counties with populations of fewer than 125,000, according to the most recent federal decennial statewide census, and of all district boards of trustees of community colleges. The Auditor General shall, at least every other year, make operational audits of the accounts and records of all state agencies, as defined in this section. The Auditor General shall, at least once every 3 years, make financial audits of the accounts and records of all district school boards in counties with populations of 125,000 or more. For each of the 2 years that the Auditor General does not make the financial audit, each district school board shall contract for an independent~~

~~certified public accountant to perform a financial audit as defined in paragraph (1)(b). This section does not limit the Auditor General's discretionary authority to conduct performance audits of these governmental entities as authorized in subparagraph 3. A district school board may select an independent certified public accountant to perform a financial audit as defined in paragraph (1)(b) notwithstanding the notification provisions of this section. In addition, a district school board may employ an internal auditor to perform ongoing financial verification of the financial records of a school district, who must report directly to the district school board or its designee. The Auditor General shall, at a minimum, provide to the successor independent certified public accountant of a district school board the prior year's working papers, including documentation of planning, internal control, audit results, and other matters of continuing accounting and auditing significance, such as the working paper analysis of balance sheet accounts and those relating to contingencies.~~

~~2. Each charter school established under s. 228.056 shall have an annual financial audit of its accounts and records completed within 12 months after the end of its fiscal year by an independent certified public accountant retained by it and paid from its funds. The independent certified public accountant who is selected to perform an annual financial audit of the charter school shall provide a copy of the audit report to the district school board, the Department of Education, and the Auditor General. A management letter must be prepared and included as a part of each financial audit report. The Auditor General may, pursuant to his or her own authority or at the direction of the Joint Legislative Auditing Committee, conduct an audit of a charter school.~~

~~3. The Auditor General may pursuant to his or her own authority, or at the direction of the Legislative Auditing Committee, conduct at any time make financial audits and performance audits or other engagements as determined appropriate by the Auditor General of:~~

~~1. The accounts and records of any all governmental entity entities created or established by pursuant to law.~~

~~2. The information technology programs, activities, functions, or systems of any governmental entity created or established by law.~~

~~3. The accounts and records of any charter school created or established by law.~~

~~4. The accounts and records of any direct-support organization or citizen support organization created or established by law. The Auditor General is authorized to require and receive any records from the direct-support organization or citizen support organization, or from its independent auditor.~~

~~5. The public records associated with any appropriation made by the General Appropriations Act to a nongovernmental agency, corporation, or person. All records of a nongovernmental agency, corporation, or person with respect to the receipt and expenditure of such an appropriation shall be public records and shall be treated in the same manner as other public records are under general law.~~

6. State financial assistance provided to any nonstate entity.
7. The Tobacco Settlement Financing Corporation created pursuant to s. 215.56005.
8. The Florida On-Line High School created pursuant to s. 228.082.
9. Any purchases of federal surplus lands for use as sites for correctional facilities as described in s. 253.037.
10. Enterprise Florida, Inc., including any of its boards, advisory committees, or similar groups created by Enterprise Florida, Inc., and programs. The audit report may not reveal the identity of any person who has anonymously made a donation to Enterprise Florida, Inc., pursuant to this subparagraph. The identity of a donor or prospective donor to Enterprise Florida, Inc., who desires to remain anonymous and all information identifying such donor or prospective donor are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Such anonymity shall be maintained in the auditor's report.
11. The Florida Development Finance Corporation or the capital development board or the programs or entities created by the board. The audit or report may not reveal the identity of any person who has anonymously made a donation to the board pursuant to this subparagraph. The identity of a donor or prospective donor to the board who desires to remain anonymous and all information identifying such donor or prospective donor are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Such anonymity shall be maintained in the auditor's report.
12. The records pertaining to the use of funds from voluntary contributions on a motor vehicle registration application or on a driver's license application authorized pursuant to ss. 320.023 and 322.081.
13. The records pertaining to the use of funds from the sale of specialty license plates described in chapter 320.
14. The transportation corporations under contract with the Department of Transportation that are acting on behalf of the state to secure and obtain rights-of-way for urgently needed transportation systems and to assist in the planning and design of such systems pursuant to ss. 339.401-339.421.
15. The acquisitions and divestitures related to the Florida Communities Trust Program created pursuant to chapter 380.
16. The Florida Water Pollution Control Financing Corporation created pursuant to s. 403.1837.
17. The Florida Partnership for School Readiness created pursuant to s. 411.01.
18. The Occupational Access and Opportunity Commission created pursuant to s. 413.83.

19. The Florida Special Disability Trust Fund Financing Corporation created pursuant to s. 440.49.

20. Workforce Florida, Inc., or the programs or entities created by Workforce Florida, Inc., created pursuant to s. 445.004.

21. The corporation defined in s. 455.32 that is under contract with the Department of Business and Professional Regulation to provide administrative, investigative, examination, licensing, and prosecutorial support services in accordance with the provisions of s. 455.32 and the practice act of the relevant profession.

22. The Florida Engineers Management Corporation created pursuant to chapter 471.

23. The Investment Fraud Restoration Financing Corporation created pursuant to chapter 517.

24. The books and records of any permitholder that conducts race meetings or jai alai exhibitions under chapter 550.

25. The corporation defined in chapter 946, part II, known as the Prison Rehabilitative Industries and Diversified Enterprises, Inc., or PRIDE Enterprises.

(b) The Auditor General is also authorized to:

1. Promote the building of competent and efficient accounting and internal audit organizations in the offices administered by governmental entities.

2. Provide consultation services to governmental entities on their financial and accounting systems, procedures, and related matters.

(4) SCHEDULING AND STAFFING OF AUDITS.—

(a) Each financial audit required or authorized by this section, when practicable, shall be made and completed within not more than 9 months following the end of each audited fiscal year of the state agency or political subdivision, or at such lesser time which may be provided by law or concurrent resolution or directed by the Legislative Auditing Committee. When the Auditor General determines that conducting any audit or engagement otherwise required by law would not be possible due to workload or would not be an efficient or effective use of his or her resources based on an assessment of risk, then, in his or her discretion, the Auditor General may temporarily or indefinitely postpone such audits or other engagements for such period or any portion thereof, unless otherwise directed by the committee.

(b) The Auditor General may, when in his or her judgment it is necessary, designate and direct any auditor employed by the Auditor General to audit any accounts or records within the authority of the Auditor General to audit. The auditor shall report his or her findings for review by the Auditor General, who shall prepare the audit report.

(c) The audit report when final shall be a public record. The audit workpapers and notes are not a public record; however, those workpapers necessary to support the computations in the final audit report may be made available by a majority vote of the Legislative Auditing Committee after a public hearing showing proper cause. The audit workpapers and notes shall be retained by the Auditor General until no longer useful in his or her proper functions, after which time they may be destroyed.

(d) At the conclusion of the audit, the Auditor General or the Auditor General's designated representative shall discuss the audit with the official whose office is subject to audit and submit to that official a list of the Auditor General's findings which may be included in the audit report. If the official is not available for receipt of the list of audit findings then delivery is presumed to be made when it is delivered to his or her office. The official shall submit to the Auditor General or the designated representative, within 30 days after the receipt of the list of findings, his or her written statement of explanation or rebuttal concerning all of the findings, including corrective action to be taken to preclude a recurrence of all findings.

(e) The Auditor General shall provide the successor independent certified public accountant of a district school board with access to the prior year's working papers in accordance with the Statements on Auditing Standards, including documentation of planning, internal control, audit results, and other matters of continuing accounting and auditing significance, such as the working paper analysis of balance sheet accounts and those relating to contingencies.

(5) PETITION FOR AN AUDIT BY THE AUDITOR GENERAL.—The Legislative Auditing Committee shall direct the Auditor General to make a financial audit of any municipality whenever petitioned to do so by at least 20 percent of the electors of that municipality. The supervisor of elections of the county in which the municipality is located shall certify whether or not the petition contains the signatures of at least 20 percent of the electors of the municipality. After the completion of the audit, the Auditor General shall determine whether the municipality has the fiscal resources necessary to pay the cost of the audit. The municipality shall pay the cost of the audit within 90 days after the Auditor General's determination that the municipality has the available resources. If the municipality fails to pay the cost of the audit, the Department of Revenue shall, upon certification of the Auditor General, withhold from that portion of the distribution pursuant to s. 212.20(6)(e)6. which is distributable to such municipality, a sum sufficient to pay the cost of the audit and shall deposit that sum into the General Revenue Fund of the state.

(6) REQUEST BY A LOCAL GOVERNMENTAL ENTITY FOR AN AUDIT BY THE AUDITOR GENERAL.—Whenever a local governmental entity requests the Auditor General to conduct an audit of all or part of its operations and the Auditor General conducts the audit under his or her own authority or at the direction of the Legislative Auditing Committee, the expenses of the audit shall be paid by the local governmental entity. The Auditor General shall estimate the cost of the audit. Fifty percent of the cost estimate shall be paid by the local governmental entity before the initiation

of the audit and deposited into the General Revenue Fund of the state. After the completion of the audit, the Auditor General shall notify the local governmental entity of the actual cost of the audit. The local governmental entity shall remit the remainder of the cost of the audit to the Auditor General for deposit into the General Revenue Fund of the state. If the local governmental entity fails to comply with paying the remaining cost of the audit, the Auditor General shall notify the Legislative Auditing Committee. The committee shall proceed in accordance with s. 11.40(5).

(7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

(a) The Auditor General shall notify the Legislative Auditing Committee of any local governmental entity, district school board, charter school, or charter technical career center that does not comply with the reporting requirements of s. 218.39. The committee shall proceed in accordance with s. 11.40(5). The audits referred to in this subparagraph must be made whenever determined by the Auditor General, whenever directed by the Legislative Auditing Committee, or whenever otherwise required by law or concurrent resolution. A district school board, expressway authority, or bridge authority may require that the annual financial audit of its accounts and records be completed within 12 months after the end of its fiscal year. If the Auditor General is unable to meet that requirement, the Auditor General shall notify the school board, the expressway authority, or the bridge authority pursuant to subparagraph 5.

4.—The Office of Program Policy Analysis and Government Accountability within the Office of the Auditor General shall maintain a schedule of performance audits of state programs. In conducting a performance audit of a state program, the Office of Program Policy Analysis and Government Accountability, when appropriate, shall identify and comment upon alternatives for accomplishing the goals of the program being audited. Such alternatives may include funding techniques and, if appropriate, must describe how other states or governmental units accomplish similar goals.

5.—If by July 1 in any fiscal year a district school board or local governmental entity has not been notified that a financial audit for that fiscal year will be performed by the Auditor General pursuant to subparagraph 3., each municipality with either revenues or expenditures of more than \$100,000, each special district with either revenues or expenditures of more than \$50,000, and each county agency shall, and each district school board may, require that an annual financial audit of its accounts and records be completed, within 12 months after the end of its respective fiscal year, by an independent certified public accountant retained by it and paid from its public funds. An independent certified public accountant who is selected to perform an annual financial audit of a school district must report directly to the district school board or its designee. A management letter must be prepared and included as a part of each financial audit report. Each local government finance commission, board, or council, and each municipal power corporation, created as a separate legal or administrative entity by interlocal agreement under s. 163.01(7), shall provide the Auditor General, within 12 months after the end of its fiscal year, with an annual financial audit report of its accounts and records and a written statement or explanation or rebuttal concerning the auditor's comments, including corrective



action to be taken. The county audit shall be one document that includes a separate audit of each county agency. The county audit must include an audit of the deposits into and expenditures from the Public Records Modernization Trust Fund. The Auditor General shall tabulate the results of the audits of the Public Records Modernization Trust Fund and report a summary of the audits to the Legislature annually.

~~6. The governing body of a municipality, special district, or charter school must establish an auditor selection committee and competitive auditor selection procedures. The governing board may elect to use its own competitive auditor selection procedures or the procedures outlined in subparagraph 7.~~

~~7. The governing body of a noncharter county or district school board that retains a certified public accountant must establish an auditor selection committee and select an independent certified public accountant according to the following procedure:~~

~~a. For each noncharter county, the auditor selection committee must consist of the county officers elected pursuant to s. 1(d), Art. VIII of the State Constitution, and one member of the board of county commissioners or its designee.~~

~~b. The committee shall publicly announce, in a uniform and consistent manner, each occasion when auditing services are required to be purchased. Public notice must include a general description of the audit and must indicate how interested certified public accountants can apply for consideration.~~

~~c. The committee shall encourage firms engaged in the lawful practice of public accounting who desire to provide professional services to submit annually a statement of qualifications and performance data.~~

~~d. Any certified public accountant desiring to provide auditing services must first be qualified pursuant to law. The committee shall make a finding that the firm or individual to be employed is fully qualified to render the required services. Among the factors to be considered in making this finding are the capabilities, adequacy of personnel, past record, and experience of the firm or individual.~~

~~e. The committee shall adopt procedures for the evaluation of professional services, including, but not limited to, capabilities, adequacy of personnel, past record, experience, results of recent external quality control reviews, and such other factors as may be determined by the committee to be applicable to its particular requirements.~~

~~f. The public must not be excluded from the proceedings under this subparagraph.~~

~~g. The committee shall evaluate current statements of qualifications and performance data on file with the committee, together with those that may be submitted by other firms regarding the proposed audit, and shall conduct discussions with, and may require public presentations by, no fewer than three firms regarding their qualifications, approach to the audit, and ability to furnish the required services.~~

h. ~~The committee shall select no fewer than three firms deemed to be the most highly qualified to perform the required services after considering such factors as the ability of professional personnel; past performance; willingness to meet time requirements; location; recent, current, and projected workloads of the firms; and the volume of work previously awarded to the firm by the agency, with the object of effecting an equitable distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most highly qualified firms. If fewer than three firms desire to perform the services, the committee shall recommend such firms as it determines to be qualified.~~

i. ~~If the governing board receives more than one proposal for the same engagement, the board may rank, in order of preference, the firms to perform the engagement. The firm ranked first may then negotiate a contract with the board giving, among other things, a basis of its fee for that engagement. If the board is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be formally terminated, and the board shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, negotiations shall then be terminated with that firm and undertaken with the third-ranked firm. Negotiations with the other ranked firms shall be undertaken in the same manner. The board, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time. The board shall also negotiate on the scope and quality of services. In making such determination, the board shall conduct a detailed analysis of the cost of the professional services required in addition to considering their scope and complexity. For contracts over \$50,000, the board shall require the firm receiving the award to execute a truth-in-negotiation certificate stating that the rates of compensation and other factual unit costs supporting the compensation are accurate, complete, and current at the time of contracting. Such certificate shall also contain a description and disclosure of any understanding that places a limit on current or future years' audit contract fees, including any arrangements under which fixed limits on fees will not be subject to reconsideration if unexpected accounting or auditing issues are encountered. Such certificate shall also contain a description of any services rendered by the certified public accountant or firm of certified public accountants at rates or terms that are not customary. Any auditing service contract under which such a certificate is required must contain a provision that the original contract price and any additions thereto shall be adjusted to exclude any significant sums by which the board determines the contract price was increased due to inaccurate or incomplete factual unit costs. All such contract adjustments shall be made within 1 year following the end of the contract.~~

j. ~~If the board is unable to negotiate a satisfactory contract with any of the selected firms, the committee shall select additional firms, and the board shall continue negotiations in accordance with this subsection until an agreement is reached.~~

8. ~~At the conclusion of the audit field work, the independent certified public accountant shall discuss with the head of each local governmental entity or the chair's designee or with the chair of the district school board~~

~~or the chair's designee, or with the chair of the board of the charter school or the chair's designee, as appropriate, all of the auditor's comments that will be included in the audit report. If the officer is not available to discuss the auditor's comments, their discussion is presumed when the comments are delivered in writing to his or her office. The auditor shall notify each member of the governing body of a local governmental entity for which deteriorating financial conditions exist which may cause a condition described in s. 218.503(1) to occur if actions are not taken to address such conditions.~~

~~9.— The officer's written statement of explanation or rebuttal concerning the auditor's comments, including corrective action to be taken, must be filed with the governing body of the local governmental entity, district school board, or charter school within 30 days after the delivery of the financial audit report.~~

~~10.— The Auditor General, in consultation with the Board of Accountancy, shall adopt rules for the form and conduct of all financial audits subject to this section and conducted by independent certified public accountants. The Auditor General, in consultation with the Department of Education, shall develop a compliance supplement for the financial audit of a district school board conducted by an independent certified public accountant. The rules for audits of local governmental entities and district school boards must include, but are not limited to, requirements for the reporting of information necessary to carry out the purposes of the Local Government Financial Emergencies Act as stated in s. 218.501.~~

~~11.— Any local governmental entity or district school board financial audit report required under subparagraph 5. or charter school financial audit report required under subparagraph 2. and the officer's written statement of explanation or rebuttal concerning the auditor's comments, including corrective action to be taken, must be submitted to the Auditor General within 45 days after delivery of the audit report to the local governmental entity, district school board, or charter school, but no later than 12 months after the end of the fiscal year. If the Auditor General does not receive the financial audit report within the prescribed period, he or she must notify the Legislative Auditing Committee that the governmental entity or charter school has not complied with this subparagraph. Following notification of failure to submit the required audit report or items required by rule adopted by the Auditor General, a hearing must be scheduled by rule of the committee. After the hearing, the committee shall determine which governmental entities or charter schools will be subjected to further state action. If it finds that one or more governmental entities or charter schools should be subjected to further state action, the committee shall:~~

~~a.— In the case of a local governmental entity, district school board, or charter school, request the Department of Revenue and the Department of Banking and Finance to withhold any funds not pledged for bond debt service satisfaction which are payable to such governmental entity or charter school until the required financial audit is received by the Auditor General. The Department of Revenue and the Department of Banking and Finance are authorized to implement the provisions of this sub-subparagraph.~~

The committee, in its request, shall specify the date such action shall begin, and the request must be received by the Department of Revenue and the Department of Banking and Finance 30 days before the date of the distribution mandated by law.

~~b. In the case of a special district, notify the Department of Community Affairs that the special district has failed to provide the required audits. Upon receipt of notification, the Department of Community Affairs shall proceed pursuant to ss. 189.421 and 189.422.~~

(b)12.a. The Auditor General, in consultation with the Board of Accountancy, shall review all audit reports submitted pursuant to s. 218.39 subparagraph 11. The Auditor General shall request any significant items that were omitted in violation of a rule adopted by the Auditor General. The items must be provided within 45 days after the date of the request. If the governmental entity does not comply with the Auditor General's request, the Auditor General shall notify the Legislative Auditing Committee. The committee shall proceed in accordance with s. 11.40(5).

(c) The Auditor General shall provide annually a list of those special districts which are not in compliance with s. 218.39 to the Special District Information Program of the Department of Community Affairs.

(d) During the Auditor General's review of audit reports, he or she shall contact those units of local government, as defined in s. 218.403, that are not in compliance with s. 218.415 and request evidence of corrective action. The unit of local government shall provide the Auditor General with evidence of corrective action within 45 days after the date it is requested by the Auditor General. If the unit of local government fails to comply with the Auditor General's request, the Auditor General shall notify the Legislative Auditing Committee. The committee shall proceed in accordance with s. 11.40(5). If the Auditor General does not receive the requested items, he or she shall notify the Joint Legislative Auditing Committee.

(e)b. The Auditor General shall notify the Governor and the Joint Legislative Auditing Committee of any audit report reviewed by the Auditor General pursuant to paragraph (b) which contains a statement that the local governmental entity or district school board is in a state of financial emergency as provided in s. 218.503. If the Auditor General requests a clarification regarding information included in an audit report to determine whether a, in reviewing any audit report, identifies additional information which indicates that the local governmental entity or district school board is in a state of financial emergency, as provided in s. 218.503, the Auditor General shall request appropriate clarification from the local governmental entity or district school board. the requested clarification must be provided within 45 days after the date of the request. If the local governmental entity or district school board does not comply with the Auditor General's request, the Auditor General does not receive the requested clarification, he or she shall notify the Joint Legislative Auditing Committee. If, after obtaining the requested clarification, the Auditor General determines that the local governmental entity or district school board is in a state of financial emergency as provided in s. 218.503, he or she shall notify the Governor and the Joint Legislative Auditing Committee.

(f)e. The Auditor General shall annually compile and transmit to the President of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Auditing Committee a summary of significant findings and financial trends identified in audit reports reviewed in paragraph (b) or otherwise identified by the Auditor General's review of such audit reports and financial information, and identified in audits of district school boards conducted by the Auditor General. The Auditor General shall include financial information provided pursuant to s. 218.32(1)(e) for entities with fiscal years ending on or after June 30, 2003, within his or her reports submitted pursuant to this paragraph.

(g) If the Auditor General discovers significant errors, improper practices, or other significant discrepancies in connection with his or her audits of a state agency or state officer, the Auditor General shall notify the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee. The President of the Senate and the Speaker of the House of Representatives shall promptly forward a copy of the notification to the chairs of the respective legislative committees, which in the judgment of the President of the Senate and the Speaker of the House of Representatives are substantially concerned with the functions of the state agency or state officer involved. Thereafter, and in no event later than the 10th day of the next succeeding legislative session, the person in charge of the state agency involved, or the state officer involved, as the case may be, shall explain in writing to the President of the Senate, the Speaker of the House of Representatives, and to the Legislative Auditing Committee the reasons or justifications for such errors, improper practices, or other significant discrepancies and the corrective measures, if any, taken by the agency.

(h) The Auditor General shall transmit to the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee by December 1 of each year a list of statutory and fiscal changes recommended by the Auditor General. The Auditor General may also transmit recommendations at other times of the year when the information would be timely and useful for the Legislature.

(8) RULES OF THE AUDITOR GENERAL.—The Auditor General, in consultation with the Board of Accountancy, shall adopt rules for the form and conduct of all financial audits performed by independent certified public accountants pursuant to ss. 215.98, 218.39, 237.40, 240.299, and 240.331. The rules for audits of local governmental entities and district school boards must include, but are not limited to, requirements for the reporting of information necessary to carry out the purposes of the Local Government Financial Emergencies Act as stated in s. 218.501.

(9) OTHER GUIDANCE PROVIDED BY THE AUDITOR GENERAL.—The Auditor General, in consultation with the Department of Education, shall develop a compliance supplement for the financial audit of a district school board conducted by an independent certified public accountant. ~~audits of local governmental entities, district school boards, and charter schools performed by the independent certified public accountants.~~

13.— In conducting a performance audit of any agency, the Auditor General shall use the Agency Strategic Plan of the agency in evaluating the performance of the agency.

(b) ~~The Legislative Auditing Committee shall direct the Auditor General to make a financial audit of any municipality whenever petitioned to do so by at least 20 percent of the electors of that municipality. The supervisor of elections of the county in which the municipality is located shall certify whether or not the petition contains the signatures of at least 20 percent of the electors of the municipality. After the completion of the audit, the Auditor General shall determine whether the municipality has the fiscal resources necessary to pay the cost of the audit. The municipality shall pay the cost of the audit within 90 days after the Auditor General's determination that the municipality has the available resources. If the municipality fails to pay the cost of the audit, the Department of Revenue shall, upon certification of the Auditor General, withhold from that portion of the distribution pursuant to s. 212.20(6)(f)5, which is distributable to such municipality a sum sufficient to pay the cost of the audit and shall deposit that sum into the General Revenue Fund of the state.~~

(c) ~~The Auditor General shall at least every 2 years make a performance audit of the local government financial reporting system, which, for the purpose of this chapter, means the reporting provisions of this subsection and subsection (4); s. 27.3455(1) and (2); part VII of chapter 112; s. 163.05; s. 166.241; chapter 189; parts III and V of chapter 218; and s. 925.037(5). The performance audit shall analyze each component of the reporting system separately and analyze the reporting system as a whole. The purpose of such an audit is to determine the accuracy, efficiency, and effectiveness of the reporting system in achieving its goals and objectives and to make recommendations to the local governments, the Governor, and the Legislature as to how the reporting system can be improved and how program costs can be reduced. Such goals and objectives must include, but need not be limited to, the timely, accurate, uniform, and cost-effective accumulation of financial and other information that can be used by the members of the Legislature and other appropriate officials in order to:~~

- 1.— ~~Compare and contrast revenue sources and expenditures of local governmental entities;~~
- 2.— ~~Assess the fiscal impact of the formation, dissolution, and activity of special districts;~~
- 3.— ~~Evaluate the fiscal impact of state mandates on local governmental entities;~~
- 4.— ~~Assess financial or economic conditions of local governmental entities; and~~
- 5.— ~~Improve communication and coordination among state agencies and local governmental entities.~~

(d) ~~Whenever a local governmental entity requests the Auditor General to conduct an audit of all or part of its operations and the Auditor General~~

~~conducts the audit under his or her own authority or at the direction of the Legislative Auditing Committee, the expenses of the audit shall be paid by the local governmental entity. The Auditor General shall estimate the cost of the audit. Fifty percent of the cost estimate shall be paid by the local governmental entity before the initiation of the audit and deposited into the General Revenue Fund of the state. After the completion of the audit, the Auditor General shall forward the actual cost of the audit to the local governmental entity. The local governmental entity shall remit the remainder of the cost of the audit to the Auditor General for deposit into the General Revenue Fund of the state. If the local governmental entity fails to pay the cost of the audit, the Auditor General shall notify the Legislative Auditing Committee. Following the notification, the committee may schedule a hearing. After the hearing, the committee shall determine if the local governmental entity should be subject to further state action. If the committee determines that the local governmental entity should be subject to further state action, the committee shall:~~

~~1.— In the case of a local governmental entity, request the Department of Revenue and the Department of Banking and Finance to withhold any funds payable to the governmental entity until the required payment is received by the Auditor General.~~

~~2.— In the case of a special district, notify the Department of Community Affairs that the special district has failed to pay for the cost of the audit. Upon receipt of notification, the Department of Community Affairs shall proceed pursuant to the provisions specified in ss. 189.421 and 189.422.~~

~~(4) If the Auditor General conducts an audit of a special district which indicates in its findings problems related to debt policy or practice, including failure to meet debt service payments, failure to comply with significant bond covenants, failure to meet bond reserve requirements, and significant erosion of a special district's revenue-producing capacity, a copy of the audit shall be submitted to the Division of Bond Finance of the State Board of Administration for review and comment. Upon receipt of this notification from the Auditor General, the Division of Bond Finance shall prepare a brief report describing the previous debt issued by the special district and submit the report to the Legislative Auditing Committee for their review and consideration.~~

~~(5) Each audit required or authorized by this section, when practicable, shall be made and completed within not more than 12 months following the end of each fiscal year of the state agency or political subdivision, if an annual audit, or at such lesser time which may be provided by law or concurrent resolution or directed by the Legislative Auditing Committee. When the Auditor General is required by law to make a financial audit of the whole or a portion of a fiscal year of a political subdivision and his or her current workload of audits of state agencies and political subdivisions is so great that it is not practicable within the required time to perform such audit and also to make financial audits of that political subdivision as to any other period not previously audited by him or her, then in his or her discretion the Auditor General may temporarily or indefinitely postpone audits of such other period or any portion thereof unless otherwise directed by the committee.~~

~~(6) The Legislative Auditing Committee may at any time, without regard to whether the Legislature is then in session or out of session, take under investigation any matter within the scope of an audit either completed or then being conducted by the Auditor General, and in connection with such investigation may exercise the powers of subpoena by law vested in a standing committee of the Legislature.~~

~~(7)(a) The Auditor General may, when in his or her judgment it is necessary, designate and direct any auditor employed by the Auditor General to audit any accounts or records within the power of the Auditor General to audit. The auditor shall report his or her findings for review by the Auditor General, who shall prepare the audit report.~~

~~(b) The audit report when final shall be a public record. The audit workpapers and notes are not a public record; however, those workpapers necessary to support the computations in the final audit report may be made available by a majority vote of the Legislative Auditing Committee after a public hearing showing proper cause. The audit workpapers and notes shall be retained by the Auditor General until no longer useful in his or her proper functions, after which time they may be destroyed.~~

~~(c) The audit report must make special mention of:~~

~~1. Any violation of the laws within the scope of the audit; and~~

~~2. Any illegal or improper expenditure, any improper accounting procedures, all failures to properly record financial transactions, and all other inaccuracies, irregularities, shortages, and defalcations.~~

~~(d) At the conclusion of the audit, the Auditor General or the Auditor General's designated representative shall discuss the audit with the official whose office is subject to audit and submit to that official a list of the Auditor General's adverse findings which may be included in the audit report. If the official is not available for receipt of the list of adverse audit findings, clearly designated as such, then delivery thereof is presumed to be made when it is delivered to his or her office. The official shall submit to the Auditor General or the designated representative, within 30 days after the receipt of the list of findings, his or her written statement of explanation or rebuttal concerning all of the findings, including therein corrective action to be taken to preclude a recurrence of all adverse findings. Whenever necessary, the Office of Program Policy Analysis and Government Accountability may request the official to submit his or her written statement of explanation or rebuttal within 15 days after the receipt of the list of findings.~~

~~(e) Each agency head shall provide to the Legislative Auditing Committee, within 6 months after the published date of an audit report, a written explanation of the status of recommendations contained in the report.~~

~~(f) No later than 18 months after the release of a performance audit report, the agencies which are the subject of that report shall provide data and other information that describes with specificity what the agencies have done to respond to the recommendations contained in the report. The Auditor General or the Office of Program Policy Analysis and Government Ac-~~



~~countability may verify the data and information provided by the agencies. If the data and information provided by the agencies are deemed sufficient and accurate, the Auditor General or the Office of Program Policy Analysis and Government Accountability shall report to the Joint Legislative Auditing Committee and to the legislative standing committees concerned with the subject areas of the audit. The report shall include a summary of the agencies' responses, the evaluation of those responses, and any recommendations deemed to be appropriate. The followup report required by this paragraph may be waived by joint action of the President of the Senate and the Speaker of the House of Representatives upon the recommendation of the Director of the Office of Program Policy Analysis and Government Accountability.~~

~~(8) If the Auditor General discovers any errors, unusual practices, or any other discrepancies in connection with his or her audits of a state agency or state officer, the Auditor General shall, as soon as practicable, notify in writing the President of the Senate and the Speaker of the House of Representatives, respectively, who, in turn, shall promptly thereafter forward a copy thereof to the chairs of the respective legislative committees, which in the judgment of the President of the Senate and the Speaker of the House of Representatives. Thereafter, and in no event later than the 10th day of the next succeeding legislative session, the person in charge of the state agency involved, or the state officer involved, as the case may be, shall explain in writing to the President of the Senate and the Speaker of the House of Representatives and to the Legislative Auditing Committee the reasons or justifications for such errors, unusual practices, or discrepancies and the corrective measures, if any, taken by the agency.~~

~~(9) All agencies, other than state agencies as defined herein, and all district school boards and district boards of trustees of community colleges shall have the power to have a performance audit or financial audit of their accounts and records by an independent certified public accountant retained by them and paid from their public funds.~~

~~(10) The Auditor General shall provide annually a list of those special districts which are in compliance with this section and a list of those special districts which are not in compliance with this section for the Special District Information Program of the Department of Community Affairs.~~

~~(11) In addition to any other provision of law granting access to records and accounts, the Auditor General may, pursuant to his or her own authority granted in this subsection or at the direction of the Legislative Auditing Committee, conduct audits of any direct-support organization or citizen-support organization authorized by law. Independent audits of direct-support organizations and citizen-support organizations conducted by certified public accountants shall be performed in accordance with rules adopted by the Auditor General.~~

Section 16. Section 11.47, Florida Statutes, is amended to read:

11.47 Penalties; failure to make a proper audit or examination; making a false audit report; failure to produce documents or information.—

(1) All officers whose respective offices the Auditor General or the Office of Program Policy Analysis and Government Accountability is authorized to audit or examine shall enter into their public records sufficient information for proper audit or examination, and shall make the same available to the Auditor General or the Office of Program Policy Analysis and Government Accountability on demand.

(2) The willful failure or refusal of the Auditor General, director of the Office of Program Policy Analysis and Government Accountability, or any staff auditor employed by the Auditor General or the Office of Program Policy Analysis and Government Accountability to make a proper audit or examination in line with his or her duty, the willful making of a false report as to any audit or examination, or the willful failure or refusal to report a shortage or misappropriation of funds or property shall be cause for removal from such office or employment, and the Auditor General, the director of the Office of Program Policy Analysis and Government Accountability, or a staff member auditor shall be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(3) Any person who willfully fails or refuses to furnish or produce any book, record, paper, document, data, or sufficient information necessary to a proper audit or examination which the Auditor General or the Office of Program Policy Analysis and Government Accountability is by law authorized to perform shall be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(4) Any officer who willfully fails or refuses to furnish or produce any book, record, paper, document, data, or sufficient information necessary to a proper audit or examination which the Auditor General or the Office of Program Policy Analysis and Government Accountability is by law authorized to perform, shall be subject to removal from office.

Section 17. Section 11.51, Florida Statutes, is amended to read:

11.51 Office of Program Policy Analysis and Government Accountability.—

(1) There is hereby created the Office of Program Policy Analysis and Government Accountability as a unit of the Office of the Auditor General appointed pursuant to s. 11.42. The Such office shall perform independent examinations, program reviews, and other projects as provided by general law, concurrent resolution, or as directed by the Legislative Auditing Committee, and shall provide recommendations, training, or other services as may assist the Legislature ~~program evaluation and justification reviews as required by s. 11.513 and performance audits as defined in s. 11.45 and shall contract for performance reviews of school districts pursuant to ss. 11.515 and 230.2302.~~

(2) The Office of Program Policy Analysis and Government Accountability is independent of the Auditor General appointed pursuant to s. 11.42 ~~and the Public Counsel appointed pursuant to s. 350.061~~ for purposes of general policies established by the Legislative Auditing Committee.

(3) The Office of Program Policy Analysis and Government Accountability shall maintain a schedule of examinations of state programs.

~~(4)(3) The Auditor General shall provide administrative support and services to the Office of Program Policy Analysis and Government Accountability is authorized to examine all entities and records listed in s. 11.45(3)(a) to the extent required by the Legislative Auditing Committee.~~

(5) At the conclusion of an examination, the designated representative of the director of the Office of Program Policy Analysis and Government Accountability shall discuss the examination with the official whose office is examined and submit to that official the Office of Program Policy Analysis and Government Accountability's preliminary findings. If the official is not available for receipt of the preliminary findings, clearly designated as such, delivery thereof is presumed to be made when it is delivered to his or her office. Whenever necessary, the Office of Program Policy Analysis and Government Accountability may request the official to submit his or her written statement of explanation or rebuttal within 15 days after the receipt of the findings. If the response time is not requested to be within 15 days, the official shall submit his or her response within 30 days after receipt of the preliminary findings.

(6) No later than 18 months after the release of a report of the Office of Program Policy Analysis and Government Accountability, the agencies that are the subject of that report shall provide data and other information that describes with specificity what the agencies have done to respond to the recommendations contained in the report. The Office of Program Policy Analysis and Government Accountability may verify the data and information provided by the agencies. If the data and information provided by the agencies are deemed sufficient and accurate, the Office of Program Policy Analysis and Government Accountability shall report to the Legislative Auditing Committee and to the legislative standing committees concerned with the subject areas of the audit. The report shall include a summary of the agencies' responses, the evaluation of those responses, and any recommendations deemed to be appropriate.

Section 18. Section 11.511, Florida Statutes, is amended to read:

11.511 Director of the Office of Program Policy Analysis and Government Accountability; appointment; employment of staff; powers and duties.—

(1)(a) The Legislative Auditing Committee shall appoint a director of the Office of Program Policy Analysis and Government Accountability by majority vote of the committee, subject to confirmation by a majority vote of the Senate and the House of Representatives. At the time of appointment, the director must have had 10 years' experience in policy analysis and program evaluation. The reappointment of a director is subject to confirmation by a majority vote of the Senate and the House of Representatives. The Legislative Auditing Committee may appoint an interim director.

(b) The appointment of the director may be terminated at any time by a majority vote of the Senate and the House of Representatives.

(2)(a) The director shall take and subscribe to the oath of office required of state officers by the State Constitution.

(b) Until such time as each house confirms the appointment of the director, the appointee shall perform the functions as provided by law in this section and s. 11.513.

(3)(a) The director shall make all spending decisions under the annual operating budget approved by the President of the Senate and the Speaker of the House of Representatives. The director shall employ and set the compensation of such professional, technical, legal, and clerical staff as may be necessary to fulfill the responsibilities of the Office of Program Policy Analysis and Government Accountability ~~perform all the requirements of this section and s. 11.513,~~ in accordance with the joint policies and procedures of the President of the Senate and the Speaker of the House of Representatives, and may remove these personnel. The staff must be chosen to provide a broad background of experience and expertise and, to the maximum extent possible, to represent a range of disciplines that includes law, engineering, public administration, environmental science, policy analysis ~~science,~~ economics, sociology, and philosophy.

(b) An officer or full-time employee of the Office of Program Policy Analysis and Government Accountability may not ~~actively engage in any other business or profession;~~ serve as the representative of any political party or on any executive committee or other governing body thereof; receive remuneration for activities on behalf of any candidate for public office; or engage, on behalf of any candidate for public office, in the solicitation of votes or other activities in behalf of such candidacy. Neither the director of the Office of Program Policy Analysis and Government Accountability nor any employee of that office may become a candidate for election to public office unless he or she first resigns from office or employment.

(4) The director shall perform and/or contract for the performance of examinations program evaluation and justification reviews and other related duties as prescribed by law. The director shall perform his or her duties independently but under general policies established by the Legislative Auditing Committee.

(5) The director may adopt and enforce reasonable rules necessary to facilitate the examinations studies, reviews, and reports, and other tasks that he or she is authorized to perform.

(6) When the director determines that conducting an examination would not be possible due to workload limitations or the project does not appear to be of critical interest to the Legislature, then, with the consent of the President of the Senate and the Speaker of the House of Representatives, the director may temporarily or indefinitely postpone such examinations. ~~The director, with the consent of the President of the Senate and the Speaker of the House of Representatives, may modify the work schedule of the office in order to concentrate its efforts on agency programs that are determined to have high oversight priority. The modification may include reduction or elimination of recurring performance audits existing in law on~~

July 1, 1999, but which do not appear to be of critical interest to the Legislature. The director may at any time conduct a performance review of a governmental entity created by law.

Section 19. Section 11.513, Florida Statutes, is amended to read:

11.513 Program evaluation and justification review.—

(1) Each state agency shall be subject to a program evaluation and justification review by the Office of Program Policy Analysis and Government Accountability ~~in accordance with the schedule provided in s. 216.0172 or~~ as determined by the Legislative Auditing Committee. Each state agency shall offer its complete cooperation to the Office of Program Policy Analysis and Government Accountability so that such review may be accomplished.

(2) ~~A Prior to the initiation of a state agency's program evaluation and justification review and no later than July 1 of the year in which a state agency begins operating under a performance-based program budget, the~~ state agency's inspector general, internal auditor, or other person designated by the agency head shall develop, in consultation with the Office of Program Policy Analysis and Government Accountability, a plan for monitoring and reviewing the state agency's major programs to ensure that performance data are maintained and supported by agency records.

(3) The program evaluation and justification review shall be conducted on major programs, but may include other programs. The review shall be comprehensive in its scope but, at a minimum, must be conducted in such a manner as to specifically determine the following, and to consider and determine what changes, if any, are needed with respect thereto:

(a) The identifiable cost of each program.

(b) The specific purpose of each program, as well as the specific public benefit derived therefrom.

(c) Progress toward achieving the outputs and outcomes associated with each program.

(d) An explanation of circumstances contributing to the state agency's ability to achieve, not achieve, or exceed its projected outputs and outcomes, as defined in s. 216.011, associated with each program.

(e) Alternate courses of action that would result in administration of the same program in a more efficient or effective manner. The courses of action to be considered must include, but are not limited to:

1. Whether the program could be organized in a more efficient and effective manner, whether the program's mission, goals, or objectives should be redefined, or, when the state agency cannot demonstrate that its efforts have had a positive effect, whether the program should be reduced in size or eliminated.

2. Whether the program could be administered more efficiently or effectively to avoid duplication of activities and ensure that activities are adequately coordinated.

3. Whether the program could be performed more efficiently or more effectively by another unit of government or a private entity, or whether a program performed by a private entity could be performed more efficiently and effectively by a state agency.

4. When compared to costs, whether effectiveness warrants elimination of the program or, if the program serves a limited interest, whether it should be redesigned to require users to finance program costs.

5. Whether the cost to administer the program exceeds license and other fee revenues paid by those being regulated.

6. Whether other changes could improve the efficiency and effectiveness of the program.

(f) The consequences of discontinuing such program. If any discontinuation is recommended, such recommendation must be accompanied by a description of alternatives to implement such recommendation, including an implementation schedule for discontinuation and recommended procedures for assisting state agency employees affected by the discontinuation.

(g) Determination as to public policy, which may include recommendations as to whether it would be sound public policy to continue or discontinue funding the program, either in whole or in part, in the existing manner.

(h) Whether the information reported as part of the state's performance based program budgeting system pursuant to s. 216.031(5) has relevance and utility for the evaluation of each program.

(i) Whether state agency management has established control systems sufficient to ensure that performance data are maintained and supported by state agency records and accurately presented in state agency performance reports.

(4) No later than December 1 of the second year following the year in which an agency begins operating under a performance-based program budget, the Office of Program Policy Analysis and Government Accountability shall submit a report of evaluation and justification review findings and recommendations to the President of the Senate, the Speaker of the House of Representatives, the chairpersons of the appropriate substantive committees, the chairpersons of the appropriations committees, the Legislative Auditing Committee, the Governor, the head of each state agency that was the subject of the evaluation and justification review, and the head of any state agency that is substantially affected by the findings and recommendations.

(5) The Legislature intends that the program evaluation and justification review procedure be designed to assess the efficiency, effectiveness, and long-term implications of current or alternative state policies, and that the procedure results in recommendations for the improvement of such policies and state government. To that end, whenever possible, all reports submitted pursuant to subsection (4) must include an identification of the estimated financial consequences, including any potential savings, that could be real-

ized if the recommendations or alternative courses of action were implemented.

~~(6) At any time, the Legislative Auditing Committee may direct that a program evaluation and justification review be conducted by the Office of Program Policy Analysis and Government Accountability. In order to allow the office the flexibility in carrying out the provisions of this act and to reduce duplicative auditing requirements, the Legislative Auditing Committee may waive the requirements of any law existing as of the effective date of this act to conduct a performance audit.~~

~~(6)(7) Evaluation and justification reviews may include consideration of programs provided by other agencies which are integrally related to the programs administered by the state agency or entity which is scheduled for review as pursuant to s. 216.0172 or the schedule determined by the Legislative Auditing Committee.~~

~~(8) If recommended by the director of the Office of Program Policy Analysis and Government Accountability, the President of the Senate and the Speaker of the House of Representatives may jointly direct that any program evaluation and justification review requirement existing on July 1, 1999, be postponed to allow the Office of Program Policy Analysis and Government Accountability to conduct a review of another program considered more urgent.~~

Section 20. Subsection (15) of section 14.29, Florida Statutes, is amended to read:

14.29 Florida Commission on Community Service.—

~~(15) The direct-support organization shall provide for an annual financial and compliance audit of its financial accounts and records by an independent certified public accountant in accordance with s. 215.98 rules established by the commission. The annual audit report must be submitted to the commission for review and approval. Upon approval, the board shall certify the audit report to the Auditor General for review.~~

Section 21. Paragraphs (f) and (g) of subsection (5) of section 20.055, Florida Statutes, are amended to read:

20.055 Agency inspectors general.—

(5) In carrying out the auditing duties and responsibilities of this act, each inspector general shall review and evaluate internal controls necessary to ensure the fiscal accountability of the state agency. The inspector general shall conduct financial, compliance, electronic data processing, and performance audits of the agency and prepare audit reports of his or her findings. The scope and assignment of the audits shall be determined by the inspector general; however, the agency head may at any time direct the inspector general to perform an audit of a special program, function, or organizational unit. The performance of the audit shall be under the direction of the inspector general, except that if the inspector general does not possess the qualifications specified in subsection (4), the director of auditing shall perform the functions listed in this subsection.

(f) The Auditor General, in connection with the independent postaudit of the same agency pursuant to s. 11.45, shall give appropriate consideration to internal audit reports and the resolution of findings therein. The Legislative Auditing Committee may inquire into the reasons or justifications for failure of the agency head to correct the deficiencies reported in internal audits that are also reported by the Auditor General and shall take appropriate action. ~~The Auditor General shall also review a sample of each agency's internal audit reports at least once every 3 years to determine compliance with current Standards for the Professional Practice of Internal Auditing or, if appropriate, generally accepted governmental auditing standards. If the Auditor General finds that these standards have not been complied with, the Auditor General shall include a statement of this fact in the audit report of the agency.~~

(g) The inspector general shall monitor the implementation of the state agency's response to any report on audit of the state agency issued conducted by the Auditor General or by the Office of Program Policy Analysis and Government Accountability pursuant to s. 11.45. No later than 6 months after the Auditor General or the Office of Program Policy Analysis and Government Accountability publishes a report on of the audit of the state agency, the inspector general shall provide a written response report to the agency head on the status of corrective actions taken. The Inspector General shall file a copy of such response report ~~shall be filed~~ with the Legislative Auditing Committee.

Section 22. Subsection (3) of section 20.2551, Florida Statutes, is amended to read:

20.2551 Citizen support organizations; use of property; audit; public records; partnerships.—

(3) ANNUAL AUDIT.—~~Each Any~~ citizen support organization which has annual expenditures of \$100,000 or more shall provide for cause an annual financial audit in accordance with s. 215.98 ~~postaudit of its financial accounts to be conducted by an independent certified public accountant in accordance with rules to be adopted by the department. The annual audit report shall be submitted to the Auditor General and the department for review. The Auditor General and the department are each authorized to require and obtain from the citizen support organization, or from its independent auditor, such data as may be needed relative to the operation of the organization.~~

Section 23. Paragraph (c) of subsection (13) of section 24.105, Florida Statutes, is amended to read:

24.105 Powers and duties of department.—The department shall:

(13)

(c) Any information made confidential and exempt from the provisions of s. 119.07(1) under this subsection shall be disclosed to a member of the commission, to the Auditor General, to the Office of Program Policy Analysis and Government Accountability, or to the independent auditor selected



under s. 24.123 upon such person's request therefor. If the President of the Senate or the Speaker of the House of Representatives certifies that information made confidential under this subsection is necessary for effecting legislative changes, the requested information shall be disclosed to him or her, and he or she may disclose such information to members of the Legislature and legislative staff as necessary to effect such purpose.

Section 24. Subsection (4) of section 24.120, Florida Statutes, is amended to read:

24.120 Financial matters; Administrative Trust Fund; interagency cooperation.—

(4) The department shall cooperate with the State Treasurer, the Comptroller, ~~and the Auditor General,~~ and the Office of Program Policy Analysis and Government Accountability by giving employees designated by any of them access to facilities of the department for the purpose of efficient compliance with their respective responsibilities.

Section 25. Subsection (1) and paragraph (a) of subsection (2) of section 27.3455, Florida Statutes, are amended to read:

27.3455 Annual statement of certain revenues and expenditures.—

(1) Each county shall submit annually to the Comptroller ~~and the Auditor General~~ a statement of revenues and expenditures as set forth in this section in the form and manner prescribed by the Comptroller in consultation with the Legislative Committee on Intergovernmental Relations, provided that such statement identify total county expenditures on:

- (a) Medical examiner services.
- (b) County victim witness programs.
- (c) Each of the services outlined in ss. 27.34(2) and 27.54(3).

(d) Appellate filing fees in criminal cases in which an indigent defendant appeals a judgment of a county or circuit court to a district court of appeal or the Florida Supreme Court.

(e) Other court-related costs of the state attorney and public defender that were paid by the county where such costs were included in a judgment or order rendered by the trial court against the county.

Such statement also shall identify the revenues provided by s. 938.05(1) that were used to meet or reimburse the county for such expenditures.

(2)(a) Within 6 months of the close of the local government fiscal year, each county shall submit to the Comptroller a statement of compliance from its independent certified public accountant, engaged pursuant to s. 218.39 ~~chapter 11~~, that the certified statement of expenditures was in accordance with ss. 27.34(2), 27.54(3), and this section. All discrepancies noted by the independent certified public accountant shall be included in the statement furnished by the county to the Comptroller.

Section 26. Subsection (5) of section 30.51, Florida Statutes, is amended to read:

30.51 Fees and commissions.—

(5) All fees, commissions, or other funds collected by the sheriff for services rendered or performed by his or her office shall be remitted monthly to the county, ~~in the manner prescribed by the auditor general.~~

Section 27. Paragraph (k) of subsection (2) of section 39.202, Florida Statutes, is amended to read:

39.202 Confidentiality of reports and records in cases of child abuse or neglect.—

(2) Access to such records, excluding the name of the reporter which shall be released only as provided in subsection (4), shall be granted only to the following persons, officials, and agencies:

(k) Any appropriate official of a Florida advocacy council investigating a report of known or suspected child abuse, abandonment, or neglect; the Auditor General or the Office of Program Policy Analysis and Government Accountability for the purpose of conducting audits or examinations ~~preliminary or compliance reviews~~ pursuant to law s. 11.45; or the guardian ad litem for the child.

Section 28. Subsection (1) of section 110.109, Florida Statutes, is amended to read:

110.109 Productivity improvement and personnel audits of executive branch agencies.—The department shall be responsible for conducting personnel audits of all executive branch agencies, except the State University System, to provide as follows:

(1) In order to provide for the improvement of productivity and human resources management, the department shall have the authority to conduct agency personnel administration and management reviews to assist agencies in identifying areas of recommended improvement. Such reviews shall be conducted in cooperation with the internal auditor of the employing agency so as to ascertain the operational necessity and effectiveness of agency personnel programs and human resource management. A copy of any such reviews made by the department shall be submitted to the Legislature, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability.

Section 29. Paragraph (a) of subsection (9) of section 112.313, Florida Statutes, is amended to read:

112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys.—

(9) POSTEMPLOYMENT RESTRICTIONS; STANDARDS OF CONDUCT FOR LEGISLATORS AND LEGISLATIVE EMPLOYEES.—

(a)1. It is the intent of the Legislature to implement by statute the provisions of s. 8(e), Art. II of the State Constitution relating to legislators, statewide elected officers, appointed state officers, and designated public employees.

2. As used in this paragraph:

a. "Employee" means:

(I) Any person employed in the executive or legislative branch of government holding a position in the Senior Management Service as defined in s. 110.402 or any person holding a position in the Selected Exempt Service as defined in s. 110.602 or any person having authority over policy or procurement employed by the Department of the Lottery.

(II) The Auditor General, the director of the Office of Program Policy Analysis and Government Accountability, the Sergeant at Arms and Secretary of the Senate, and the Sergeant at Arms and Clerk of the House of Representatives.

(III) The executive director of the Legislative Committee on Intergovernmental Relations and the executive director and deputy executive director of the Commission on Ethics.

(IV) An executive director, staff director, or deputy staff director of each joint committee, standing committee, or select committee of the Legislature; an executive director, staff director, executive assistant, analyst, or attorney of the Office of the President of the Senate, the Office of the Speaker of the House of Representatives, the Senate Majority Party Office, Senate Minority Party Office, House Majority Party Office, or House Minority Party Office; or any person, hired on a contractual basis, having the power normally conferred upon such persons, by whatever title.

(V) The Chancellor and Vice Chancellors of the State University System; the general counsel to the Board of Regents; and the president, vice presidents, and deans of each state university.

(VI) Any person having the power normally conferred upon the positions referenced in this sub-subparagraph.

b. "Appointed state officer" means any member of an appointive board, commission, committee, council, or authority of the executive or legislative branch of state government whose powers, jurisdiction, and authority are not solely advisory and include the final determination or adjudication of any personal or property rights, duties, or obligations, other than those relative to its internal operations.

c. "State agency" means an entity of the legislative, executive, or judicial branch of state government over which the Legislature exercises plenary budgetary and statutory control.

3. No member of the Legislature, appointed state officer, or statewide elected officer shall personally represent another person or entity for compensation before the government body or agency of which the individual was

an officer or member for a period of 2 years following vacation of office. No member of the Legislature shall personally represent another person or entity for compensation during his or her term of office before any state agency other than judicial tribunals or in settlement negotiations after the filing of a lawsuit.

4. No agency employee shall personally represent another person or entity for compensation before the agency with which he or she was employed for a period of 2 years following vacation of position, unless employed by another agency of state government.

5. Any person violating this paragraph shall be subject to the penalties provided in s. 112.317 and a civil penalty of an amount equal to the compensation which the person receives for the prohibited conduct.

6. This paragraph is not applicable to:

a. A person employed by the Legislature or other agency prior to July 1, 1989;

b. A person who was employed by the Legislature or other agency on July 1, 1989, whether or not the person was a defined employee on July 1, 1989;

c. A person who was a defined employee of the State University System or the Public Service Commission who held such employment on December 31, 1994;

d. A person who has reached normal retirement age as defined in s. 121.021(29), and who has retired under the provisions of chapter 121 by July 1, 1991; or

e. Any appointed state officer whose term of office began before January 1, 1995, unless reappointed to that office on or after January 1, 1995.

Section 30. Paragraphs (a) and (c) of subsection (7) of section 112.324, Florida Statutes, are amended to read:

112.324 Procedures on complaints of violations.—

(7) If, in cases pertaining to complaints other than complaints against impeachable officers or members of the Legislature, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of s. 8, Art. II of the State Constitution, it shall be the duty of the commission to report its findings and recommend appropriate action to the proper disciplinary official or body as follows, and such official or body shall have the power to invoke the penalty provisions of this part, including the power to order the appropriate elections official to remove a candidate from the ballot for a violation of s. 112.3145 or s. 8(a) and (i), Art. II of the State Constitution:

(a) The President of the Senate and the Speaker of the House of Representatives, jointly, in any case concerning the Public Counsel, members of the Public Service Commission, members of the Public Service Commission

Nominating Council, the Auditor General, the director of the Office of Program Policy Analysis and Government Accountability, or members of the Legislative Committee on Intergovernmental Relations.

(c) The President of the Senate, in any case concerning an employee of the Senate; the Speaker of the House of Representatives, in any case concerning an employee of the House of Representatives; or the President and the Speaker, jointly, in any case concerning an employee of a committee of the Legislature whose members are appointed solely by the President and the Speaker or in any case concerning an employee of the Public Counsel, Public Service Commission, Auditor General, Office of Program Policy Analysis and Government Accountability, or Legislative Committee on Intergovernmental Relations.

Section 31. Subsection (2) of section 112.63, Florida Statutes, is amended to read:

112.63 Actuarial reports and statements of actuarial impact; review.—

(2) The frequency of actuarial reports must be at least every 3 years commencing from the last actuarial report of the plan or system or October 1, 1980, if no actuarial report has been issued within the 3-year period prior to October 1, 1979. The results of each actuarial report shall be filed with the plan administrator within 60 days of certification. Thereafter, the results of each actuarial report shall be made available for inspection upon request. Additionally, each retirement system or plan covered by this act which is not administered directly by the Department of Management Services shall furnish a copy of each actuarial report to the Department of Management Services within 60 days after receipt from the actuary. The requirements of this section are supplemental to actuarial valuations necessary to comply with the requirements of ss. 218.321 11.45 and 218.39 218.32.

Section 32. Section 116.07, Florida Statutes, is amended to read:

116.07 Account books to be kept by sheriffs and clerks.—All sheriffs and clerks of the circuit court and ex officio clerks of the boards of county commissioners of this state shall keep books of account and of record in accordance with s. 218.33 forms to be approved by the Auditor General, except such books and forms as are now otherwise provided for by law.

Section 33. Subsection (6) of section 119.07, Florida Statutes, is amended to read:

119.07 Inspection, examination, and duplication of records; exemptions.—

(6) Nothing in subsection (3) or any other general or special law shall limit the access of the Auditor General, the Office of Program Policy Analysis and Government Accountability, or any state, county, municipal, university, board of community college, school district, or special district internal auditor to public records when such person ~~auditor~~ states in writing that such records are needed for a properly authorized audit, examination, or investigation. Such person ~~auditor~~ shall maintain the confidentiality of any public

records that are confidential or exempt from the provisions of subsection (1) and shall be subject to the same penalties as the custodians of those public records for violating confidentiality.

Section 34. Paragraph (b) of subsection (8) of section 122.03, Florida Statutes, is amended to read:

122.03 Contributions; participants; prior service credit.—

(8) Any surviving spouse of a county official or former county official, who was formerly employed full time in the office of the county official and who is presently employed by the said county official or is a county official of any such county and who did not receive compensation for a period of more than 10 years as such employee, may receive credit for retirement purposes as provided for in this chapter by:

(b) Submitting affidavits from ~~one assistant auditor general and two~~ county officials or former county officials from any such county to substantiate said employment.

Section 35. Subsection (7) of section 122.08, Florida Statutes, is amended to read:

122.08 Requirements for retirement; classifications.—There shall be two retirement classifications for all state and county officers and employees participating herein as hereafter provided in this section:

(7) No state or county official or employee who has a shortage in his or her accounts, ~~as certified by the Auditor General,~~ may retire or receive any benefits under this chapter so long as such shortage exists.

Section 36. Paragraph (x) of subsection (1) of section 125.01, Florida Statutes, is amended to read:

125.01 Powers and duties.—

(1) The legislative and governing body of a county shall have the power to carry on county government. To the extent not inconsistent with general or special law, this power includes, but is not restricted to, the power to:

(x) Employ an independent certified public accounting firm to audit any funds, accounts, and financial records of the county and its agencies and governmental subdivisions. Entities that are funded wholly or in part by the county, at the discretion of the county, may be required by the county to conduct a performance audit paid for by the county. An entity shall not be considered as funded by the county by virtue of the fact that such entity utilizes the county to collect taxes, assessments, fees, or other revenue. If an independent special district receives county funds pursuant to a contract or interlocal agreement for the purposes of funding, in whole or in part, a discrete program of the district, only that program may be required by the county to undergo a performance audit. Not fewer than five copies of each complete audit report, with accompanying documents, shall be filed with the clerk of the circuit court and maintained there for public inspection. The

clerk shall thereupon forward one complete copy of the audit report with accompanying documents to the Auditor General, ~~who shall retain the same as a public record for 10 years from receipt thereof.~~

Section 37. Subsection (1) of section 145.022, Florida Statutes, is amended to read:

145.022 Guaranteed salary upon resolution of board of county commissioners.—

(1) Any board of county commissioners, with the concurrence of the county official involved, shall by resolution guarantee and appropriate a salary to the county official, in an amount specified in this chapter, if all fees collected by such official are turned over to the board of county commissioners. Such a resolution is applicable only with respect to the county official who concurred in its adoption and only for the duration of such official's tenure in his or her current term of office. ~~Copies of the resolution adopted shall be filed with the Department of Banking and Finance and the Auditor General.~~

Section 38. Subsection (2) of section 145.14, Florida Statutes, is amended to read:

145.14 Compensation of other county officials; guarantee.—

(2) With the concurrence of any county officer described by subsection (1), any board of county commissioners may by resolution guarantee and appropriate to that officer a salary not to exceed \$9,600 in lieu of fees, if all fees collected are turned over to the board of county commissioners. ~~Copies of the resolution shall be filed with the Department of Banking and Finance and the Auditor General.~~

Section 39. Paragraph (o) of subsection (1) of section 154.11, Florida Statutes, is amended to read:

154.11 Powers of board of trustees.—

(1) The board of trustees of each public health trust shall be deemed to exercise a public and essential governmental function of both the state and the county and in furtherance thereof it shall, subject to limitation by the governing body of the county in which such board is located, have all of the powers necessary or convenient to carry out the operation and governance of designated health care facilities, including, but without limiting the generality of, the foregoing:

(o) To employ certified public accountants to audit and analyze the records of the board and to prepare financial or revenue statements of the board; however, this paragraph shall not in any way affect any responsibility of the Auditor General pursuant to s. 11.45 in connection with the records of the board.

Section 40. Paragraph (d) of subsection (2) of section 154.331, Florida Statutes, is amended to read:

154.331 County health and mental health care special districts.—Each county may establish a dependent special district pursuant to the provisions of chapter 125 or, by ordinance, create an independent special district as defined in s. 200.001(8)(e) to provide funding for indigent and other health and mental health care services throughout the county in accordance with this section. The county governing body shall obtain approval, by a majority vote of the electors, to establish the district with authority to annually levy ad valorem taxes which shall not exceed the maximum millage rate authorized by this section. Any independent health or mental health care special district created by this section shall be required to levy and fix millage subject to the provisions of s. 200.065. Once approved by the electorate, the independent health or mental health care special district shall not be required to seek approval of the electorate in future years to levy the previously approved millage.

(2)

(d) All financial records and accounts relating to the independent health or mental health care special district shall be available for review by the county governing body ~~and for audit by state auditors assigned from time to time to audit the affairs of the county officials.~~

Section 41. Paragraph (c) of subsection (3) of section 163.356, Florida Statutes, is amended to read:

163.356 Creation of community redevelopment agency.—

(3)

(c) The governing body of the county or municipality shall designate a chair and vice chair from among the commissioners. An agency may employ an executive director, technical experts, and such other agents and employees, permanent and temporary, as it requires, and determine their qualifications, duties, and compensation. For such legal service as it requires, an agency may employ or retain its own counsel and legal staff. An agency authorized to transact business and exercise powers under this part shall file with the governing body ~~and with the Auditor General~~, on or before March 31 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the county or municipality and that the report is available for inspection during business hours in the office of the clerk of the city or county commission and in the office of the agency.

Section 42. Paragraph (b) of subsection (1) of section 175.261, Florida Statutes, is amended to read:

175.261 Annual report to Division of Retirement; actuarial valuations.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under



this chapter, the board of trustees for every chapter plan and local law plan shall submit the following reports to the division:

(1) With respect to chapter plans:

(b) In addition to annual reports provided under paragraph (a), by February 1 of each triennial year, an actuarial valuation of the chapter plan must be made by the division at least once every 3 years, as provided in s. 112.63, commencing 3 years from the last actuarial valuation of the plan or system for existing plans, or commencing 3 years from issuance of the initial actuarial impact statement submitted under s. 112.63 for newly created plans. To that end, the chair of the board of trustees for each firefighters' pension trust fund operating under a chapter plan shall report to the division such data as it needs to complete an actuarial valuation of each fund. The forms for each municipality and special fire control district shall be supplied by the division. The expense of this actuarial valuation shall be borne by the firefighters' pension trust fund established by ss. 175.041 and 175.121. The requirements of this section are supplemental to the actuarial valuations necessary to comply with ss. 218.321 ~~11.45~~ and 218.39 ~~218.32~~.

Section 43. Paragraph (b) of subsection (1) of section 185.221, Florida Statutes, is amended to read:

185.221 Annual report to Division of Retirement; actuarial valuations.— For any municipality, chapter plan, local law municipality, or local law plan under this chapter, the board of trustees for every chapter plan and local law plan shall submit the following reports to the division:

(1) With respect to chapter plans:

(b) In addition to annual reports provided under paragraph (a), by February 1 of each triennial year, an actuarial valuation of the chapter plan must be made by the division at least once every 3 years, as provided in s. 112.63, commencing 3 years from the last actuarial valuation of the plan or system for existing plans, or commencing 3 years from the issuance of the initial actuarial impact statement submitted under s. 112.63 for newly created plans. To that end, the chair of the board of trustees for each municipal police officers' retirement trust fund operating under a chapter plan shall report to the division such data as the division needs to complete an actuarial valuation of each fund. The forms for each municipality shall be supplied by the division. The expense of the actuarial valuation shall be borne by the municipal police officers' retirement trust fund established by s. 185.10. The requirements of this section are supplemental to the actuarial valuations necessary to comply with ss. 218.321 ~~11.45~~ and 218.39 ~~218.32~~.

Section 44. Subsection (2) of section 189.4035, Florida Statutes, is amended to read:

189.4035 Preparation of official list of special districts.—

(2) The official list shall be produced by the department after the department has notified each special district that is currently reporting to the department, the Department of Banking and Finance pursuant to s. 218.32,

or the Auditor General pursuant to s. 218.39 44-45. Upon notification, each special district shall submit, within 60 days, its determination of its status. The determination submitted by a special district shall be consistent with the status reported in the most recent local government audit of district activities submitted to the Auditor General pursuant to s. 218.39 44-45.

Section 45. Subsection (1) of section 189.412, Florida Statutes, is amended to read:

189.412 Special District Information Program; duties and responsibilities.—The Special District Information Program of the Department of Community Affairs is created and has the following special duties:

(1) The collection and maintenance of special district compliance status reports from the Auditor General, the Department of Banking and Finance, the Division of Bond Finance of the State Board of Administration, the Department of Management Services, the Department of Revenue, and the Commission on Ethics for the reporting required in ss. ~~44-45~~, 112.3144, 112.3145, 112.3148, 112.3149, 112.63, 200.068, 218.32, 218.34, 218.38, 218.39, and 280.17 and chapter 121 and from state agencies administering programs that distribute money to special districts. The special district compliance status reports must consist of a list of special districts used in that state agency and a list of which special districts did not comply with the reporting statutorily required by that agency.

Section 46. Paragraphs (f) and (g) of subsection (5) of section 189.428, Florida Statutes, are amended to read:

189.428 Special districts; oversight review process.—

(5) Those conducting the oversight review process shall, at a minimum, consider the listed criteria for evaluating the special district, but may also consider any additional factors relating to the district and its performance. If any of the listed criteria do not apply to the special district being reviewed, they need not be considered. The criteria to be considered by the reviewer include:

(f) Whether the Auditor General has notified the Legislative Auditing Committee determined that the special district's audit report, reviewed pursuant to s. 11.45(7), indicates that a deteriorating financial condition exists that may cause a condition described in s. 218.503(1) to occur if actions are not taken to address such condition ~~district is or may be in a state of financial emergency or has been experiencing financial difficulty during any of the last 3 fiscal years for which data are available.~~

(g) Whether the Auditor General has determined that the special district is in a state of financial emergency as provided in s. 218.503(1), and has notified the Governor and the Legislative Auditing Committee failed to receive an audit report and has made a determination that the special district was required or may have been required to file an audit report during any of the last 3 fiscal years for which the data are available.

Section 47. Section 193.074, Florida Statutes, is amended to read:

193.074 Confidentiality of returns.—All returns of property and returns required by s. 201.022 submitted by the taxpayer pursuant to law shall be deemed to be confidential in the hands of the property appraiser, the clerk of the circuit court, the department, the tax collector, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability, and their employees and persons acting under their supervision and control, except upon court order or order of an administrative body having quasi-judicial powers in ad valorem tax matters, and such returns are exempt from the provisions of s. 119.07(1).

Section 48. Section 195.084, Florida Statutes, is amended to read:

195.084 Information exchange.—

(1) The department shall promulgate rules and regulations for the exchange of information among the department, the property appraisers' offices, the tax collector, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability. All records and returns of the department useful to the property appraiser or the tax collector shall be made available upon request but subject to the reasonable conditions imposed by the department. This section shall supersede statutes prohibiting disclosure only with respect to the property appraiser, the tax collector, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability, but the department may establish regulations setting reasonable conditions upon the access to and custody of such information. The Auditor General, the Office of Program Policy Analysis and Government Accountability, the tax collectors, and the property appraisers shall be bound by the same requirements of confidentiality as the Department of Revenue. Breach of confidentiality shall be a misdemeanor of the first degree, punishable as provided by ss. 775.082 and 775.083.

(2) All of the records of property appraisers and collectors, including, but not limited to, worksheets and property record cards, shall be made available to the Department of Revenue, the ~~and~~ Auditor General, and the Office of Program Policy Analysis and Government Accountability. Property appraisers and collectors are hereby directed to cooperate fully with representatives of the Department of Revenue, the ~~and~~ Auditor General, and the Office of Program Policy Analysis and Government Accountability in realizing the objectives stated in s. 195.0012.

Section 49. Subsection (7) of section 195.096, Florida Statutes, is amended to read:

195.096 Review of assessment rolls.—

(7) The Auditor General shall conduct a ~~have the responsibility to perform~~ performance audit audits of the administration of ad valorem tax laws by the department pursuant to the general authority granted in chapter 11. ~~Such performance audits shall be conducted triennially following completion of reviews conducted pursuant to this section. The performance audit report conducted pursuant to this subsection shall be formally submitted to the Legislature no later than April 1, on a triennial basis, reporting on the activities of the ad valorem tax program of the Department of Revenue~~

related to the ad valorem tax rolls. The Auditor General shall include, for at least four counties so reviewed, findings as to the accuracy of assessment procedures, projections, and computations made by the division, utilizing the same generally accepted appraisal standards and procedures to which the division and the property appraisers are required to adhere. However, the report shall not include any findings or statistics related to any ad valorem tax roll which is in litigation between the state and county officials at the time the report is to be issued.

Section 50. Paragraph (c) of subsection (4) of section 196.101, Florida Statutes, is amended to read:

196.101 Exemption for totally and permanently disabled persons.—

(4)

(c) The department shall require by rule that the taxpayer annually submit a sworn statement of gross income, pursuant to paragraph (a). The department shall require that the filing of such statement be accompanied by copies of federal income tax returns for the prior year, wage and earnings statements (W-2 forms), and other documents it deems necessary, for each member of the household. The taxpayer's statement shall attest to the accuracy of such copies. The department shall prescribe and furnish a form to be used for this purpose which form shall include spaces for a separate listing of United States Department of Veterans Affairs benefits and social security benefits. All records produced by the taxpayer under this paragraph are confidential in the hands of the property appraiser, the department, the tax collector, ~~and the Auditor General,~~ and the Office of Program Policy Analysis and Government Accountability and shall not be divulged to any person, firm, or corporation except upon court order or order of an administrative body having quasi-judicial powers in ad valorem tax matters, and such records are exempt from the provisions of s. 119.07(1).

Section 51. Paragraph (b) of subsection (1) of section 206.60, Florida Statutes, is amended to read:

206.60 County tax on motor fuel.—

(1) The proceeds of the county fuel tax imposed pursuant to s. 206.41(1)(b) are appropriated for public transportation purposes in the manner following:

(b)1. The Department of Revenue shall, from month to month, distribute the amount allocated to each of the several counties under paragraph (a) to the board of county commissioners of the county, who shall use such funds solely for the acquisition of rights-of-way; the construction, reconstruction, operation, maintenance, and repair of transportation facilities, roads, and bridges therein; or the reduction of bonded indebtedness of such county or of special road and bridge districts within such county, incurred for road and bridge or other transportation purposes. In the event the powers and duties relating to transportation facilities, roads, and bridges usually exercised and performed by boards of county commissioners are exercised and performed

by some other or separate county board, such board shall receive the proceeds, exercise the powers, and perform the duties designated in this section to be done by the boards of county commissioners.

2. The board of county commissioners of each county, or any separate board or local agency exercising the powers and performing the duties relating to transportation facilities, roads, and bridges usually exercised and performed by the boards of county commissioners, shall be assigned the full responsibility for the maintenance of transportation facilities in the county and of roads in the county road system.

~~3.— In calculating the distribution of funds under paragraph (a), the Department of Revenue shall obtain from the Auditor General the certification of the level of assessment in each district and shall pay only the amount of money which is derived by multiplying said ratio and the amount which would be due a district under paragraph (a). The funds which are raised under this section but are not distributed under this section shall be deposited in the Fuel Tax Collection Trust Fund. All funds placed in the Fuel Tax Collection Trust Fund shall be distributed in the same manner as provided in paragraphs (a) and (b).~~

3.4. Nothing in this paragraph as amended by chapter 71-212, Laws of Florida, shall be construed to permit the expenditure of public funds in such manner or for such projects as would violate the State Constitution or the trust indenture of any bond issue or which would cause the state to lose any federal aid funds for highway or transportation purposes; and the provisions of this paragraph shall be applied in a manner to avoid such result.

Section 52. Paragraph (ff) of subsection (7) of section 212.08, Florida Statutes, is amended to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(7) MISCELLANEOUS EXEMPTIONS.—

(ff) Certain electricity or steam uses.—

1. Subject to the provisions of subparagraph 4., charges for electricity or steam used to operate machinery and equipment at a fixed location in this state when such machinery and equipment is used to manufacture, process, compound, produce, or prepare for shipment items of tangible personal property for sale, or to operate pollution control equipment, recycling equipment, maintenance equipment, or monitoring or control equipment used in such operations are exempt to the extent provided in this paragraph. If 75 percent or more of the electricity or steam used at the fixed location is used to operate qualifying machinery or equipment, 100 percent of the charges for electricity or steam used at the fixed location are exempt. If less than 75 percent but 50 percent or more of the electricity or steam used at the fixed location is used to operate qualifying machinery or equipment, 50 percent

of the charges for electricity or steam used at the fixed location are exempt. If less than 50 percent of the electricity or steam used at the fixed location is used to operate qualifying machinery or equipment, none of the charges for electricity or steam used at the fixed location are exempt.

2. This exemption applies only to industries classified under SIC Industry Major Group Numbers 10, 12, 13, 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, and 39 and Industry Group Number 212. As used in this paragraph, "SIC" means those classifications contained in the Standard Industrial Classification Manual, 1987, as published by the Office of Management and Budget, Executive Office of the President.

3. Possession by a seller of a written certification by the purchaser, certifying the purchaser's entitlement to an exemption permitted by this subsection, relieves the seller from the responsibility of collecting the tax on the nontaxable amounts, and the department shall look solely to the purchaser for recovery of such tax if it determines that the purchaser was not entitled to the exemption.

4. Such exemption shall be applied as follows:

a. Beginning July 1, 1996, 20 percent of the charges for such electricity shall be exempt.

b. Beginning July 1, 1997, 40 percent of the charges for such electricity shall be exempt.

c. Beginning July 1, 1998, 60 percent of the charges for such electricity or steam shall be exempt.

d. Beginning July 1, 1999, 80 percent of the charges for such electricity or steam shall be exempt.

e. Beginning July 1, 2000, 100 percent of the charges for such electricity or steam shall be exempt.

5. Notwithstanding any other provision in this paragraph to the contrary, in order to receive the exemption provided in this paragraph a taxpayer must first register with the WAGES Program Business Registry established by the local WAGES coalition for the area in which the taxpayer is located. Such registration establishes a commitment on the part of the taxpayer to hire WAGES program participants to the maximum extent possible consistent with the nature of their business.

~~6.a. In order to determine whether the exemption provided in this paragraph from the tax on charges for electricity or steam has an effect on retaining or attracting companies to this state, the Office of Program Policy Analysis and Government Accountability shall monitor and report on the industries receiving the exemption.~~

~~b. The report shall be submitted no later than January 1, 2001, and must be comprehensive in scope, but, at a minimum, must be conducted in such a manner as to specifically determine the number of companies within each~~

~~SIC Industry Major Group receiving the exemption as of September 1, 2000, the number of individuals employed by companies within each SIC Industry Major Group receiving the exemption as of September 1, 2000, whether the change, if any, in such number of companies or employees is attributable to the exemption provided in this paragraph, whether it would be sound public policy to continue or discontinue the exemption, and the consequences of doing so.~~

~~e. The report shall be submitted to the President of the Senate, the Speaker of the House of Representatives, the Senate Minority Leader, and the House Minority Leader.~~

Exemptions provided to any entity by this subsection shall not inure to any transaction otherwise taxable under this chapter when payment is made by a representative or employee of such entity by any means, including, but not limited to, cash, check, or credit card even when that representative or employee is subsequently reimbursed by such entity.

Section 53. Subsection (6) of section 213.053, Florida Statutes, is amended to read:

213.053 Confidentiality and information sharing.—

(6) Any information received by the Department of Revenue in connection with the administration of taxes, including, but not limited to, information contained in returns, reports, accounts, or declarations filed by persons subject to tax, shall be made available by the department to the Auditor General or his or her authorized agent, the director of the Office of Program Policy Analysis and Government Accountability or his or her authorized agent, the Comptroller or his or her authorized agent, the Insurance Commissioner or his or her authorized agent, the Treasurer or his or her authorized agent, or a property appraiser or tax collector or their authorized agents pursuant to s. 195.084(1), in the performance of their official duties, or to designated employees of the Department of Education solely for determination of each school district's price level index pursuant to s. 236.081(2); however, no information shall be disclosed to the Auditor General or his or her authorized agent, the director of the Office of Program Policy Analysis and Government Accountability or his or her authorized agent, the Comptroller or his or her authorized agent, the Insurance Commissioner or his or her authorized agent, the Treasurer or his or her authorized agent, or to a property appraiser or tax collector or their authorized agents, or to designated employees of the Department of Education if such disclosure is prohibited by federal law. The Auditor General or his or her authorized agent, the director of the Office of Program Policy Analysis and Government Accountability or his or her authorized agent, the Comptroller or his or her authorized agent, the Treasurer or his or her authorized agent, and the property appraiser or tax collector and their authorized agents, or designated employees of the Department of Education shall be subject to the same requirements of confidentiality and the same penalties for violation of the requirements as the department. For the purpose of this subsection, "designated employees of the Department of Education" means only those employees directly responsible for calculation of price level indices pursuant to s.

236.081(2). It does not include the supervisors of such employees or any other employees or elected officials within the Department of Education.

Section 54. Subsection (6) of section 215.44, Florida Statutes, is amended to read:

215.44 Board of Administration; powers and duties in relation to investment of trust funds.—

~~(6) The Auditor General shall audit annually the entire operation of the board. The Office of Program Policy Analysis and Government Accountability shall examine the board's perform or cause to be performed a performance audit of the management by the board of investments every 2 years. In addition to the duties prescribed in this subsection, the Auditor General and the Office of Program Policy Analysis and Government Accountability shall annually as part of his or her audit conduct performance postaudits of investments under s. 215.47(6) which are not otherwise authorized under ss. 215.44-215.53. The Office of Program Policy Analysis and Government Accountability Auditor General shall submit such reports audit report to the board, the President of the Senate, and the Speaker of the House of Representatives and their designees.~~

Section 55. Section 215.86, Florida Statutes, is created to read:

215.86 Management systems and controls.—Each state agency and the judicial branch as defined in s. 216.011 shall establish and maintain management systems and controls that promote and encourage compliance; economic, efficient, and effective operations; reliability of records and reports; and safeguarding of assets. Accounting systems and procedures shall be designed to fulfill the requirements of generally accepted accounting principles.

Section 56. Subsection (2) of section 215.94, Florida Statutes, is amended to read:

215.94 Designation, duties, and responsibilities of functional owners.—

(2) The Department of Banking and Finance shall be the functional owner of the Florida Accounting Information Resource Subsystem established pursuant to ss. ~~11.46~~, 17.03, 215.86, 216.141, and 216.151 and further developed in accordance with the provisions of ss. 215.90-215.96. The subsystem shall include, but shall not be limited to, the following functions:

(a) Accounting and reporting so as to provide timely data for producing financial statements for the state in accordance with generally accepted accounting principles.

(b) Auditing and settling claims against the state.

Section 57. Section 215.98, Florida Statutes, is created to read:

215.98 Audits of state agency direct-support organizations and citizen support organizations.—Each direct-support organization and each citizen support organization, created or authorized pursuant to law, and created,



approved, or administered by a state agency, other than a university, district board of trustees of a community college, or district school board, shall provide for an annual financial audit of its accounts and records to be conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General pursuant to s. 11.45(8) and the state agency that created, approved, or administers the direct-support organization or citizen support organization. The audit report shall be submitted within 9 months after the end of the fiscal year to the Auditor General and to the state agency responsible for creation, administration, or approval of the direct-support organization or citizen support organization. Such state agency, the Auditor General, and the Office of Program Policy Analysis and Government Accountability shall have the authority to require and receive from the organization or from the independent auditor any records relative to the operation of the organization.

Section 58. Subsection (1) of section 216.177, Florida Statutes, is amended to read:

216.177 Appropriations acts, statement of intent, violation, notice, review and objection procedures.—

(1) When an appropriations act is delivered to the Governor after the Legislature has adjourned sine die, as soon as practicable, but no later than the 10th day before the end of the period allowed by law for veto consideration in any year in which an appropriation is made, the chairs of the legislative appropriations committees shall jointly transmit:

(a) The official list of General Revenue Fund appropriations determined in consultation with the Executive Office of the Governor to be nonrecurring; and

(b) The documents set forth in s. 216.0442(2)(a) and (c),

to the Executive Office of the Governor, the Comptroller, the Auditor General, the director of the Office of Program Policy Analysis and Government Accountability, the Chief Justice of the Supreme Court, and each state agency. A request for additional explanation and direction regarding the legislative intent of the General Appropriations Act during the fiscal year may be made only by and through the Executive Office of the Governor for state agencies, and by and through the Chief Justice of the Supreme Court for the judicial branch, as is deemed necessary. However, the Comptroller may also request further clarification of legislative intent pursuant to the Comptroller's responsibilities related to his or her preaudit function of expenditures.

Section 59. Subsection (2) of section 216.178, Florida Statutes, is amended to read:

216.178 General Appropriations Act; format; procedure.—

(2) The Office of Planning and Budgeting shall develop a final budget report that reflects the net appropriations for each budget item. The report shall reflect actual expenditures for each of the 2 preceding fiscal years and

the estimated expenditures for the current fiscal year. In addition, the report must contain the actual revenues and cash balances for the preceding 2 fiscal years and the estimated revenues and cash balances for the current fiscal year. The report may also contain expenditure data, program objectives, and program measures for each state agency program. The report must be produced by October 15 each year. A copy of the report must be made available to each member of the Legislature, to the head of each state agency, to the Auditor General, to the director of the Office of Program Policy Analysis and Government Accountability, and to the public.

Section 60. Subsection (3) of section 216.292, Florida Statutes, is amended to read:

216.292 Appropriations nontransferable; exceptions.—

(3) The head of each department or the Chief Justice of the Supreme Court, whenever it is deemed necessary by reason of changed conditions, may transfer appropriations funded from identical funding sources, except appropriations for fixed capital outlay, and transfer the amounts included within the total original approved budget and releases as furnished pursuant to ss. 216.181 and 216.192, as follows:

(a) Between categories of appropriations within a budget entity, if no category of appropriation is increased or decreased by more than 5 percent of the original approved budget or \$150,000, whichever is greater, by all action taken under this subsection.

(b) Additionally, between budget entities within identical categories of appropriations, if no category of appropriation is increased or decreased by more than 5 percent of the original approved budget or \$150,000, whichever is greater, by all action taken under this subsection.

(c) Such authorized revisions must be consistent with the intent of the approved operating budget, must be consistent with legislative policy and intent, and must not conflict with specific spending policies specified in the General Appropriations Act.

Such authorized revisions, together with related changes, if any, in the plan for release of appropriations, shall be transmitted by the state agency or by the judicial branch to the Comptroller for entry in the Comptroller's records in the manner and format prescribed by the Executive Office of the Governor in consultation with the Comptroller. A copy of such revision shall be furnished to the Executive Office of the Governor or the Chief Justice, the chair of the Legislative Budget Commission, the chairs of the legislative committees, ~~and the Auditor General, and the director of the Office of Program Policy Analysis and Government Accountability.~~

Section 61. Subsection (1) of section 218.31, Florida Statutes, is amended, and subsections (15), (16), (17), and (18) are added to said section, to read:

218.31 Definitions.—As used in this part, except where the context clearly indicates a different meaning:

(1) “Local governmental entity” means a county agency ~~as defined in s. 11.45~~, a municipality, or a special district as defined in s. 189.403. For purposes of s. 218.32, the term also includes a housing authority created under chapter 421.

(15) “Auditor” means an independent certified public accountant licensed pursuant to chapter 473 and retained by a local governmental entity to perform a financial audit.

(16) “County agency” means a board of county commissioners or other legislative and governing body of a county, however styled, including that of a consolidated or metropolitan government, a clerk of the circuit court, a separate or ex officio clerk of the county court, a sheriff, a property appraiser, a tax collector, a supervisor of elections, or any other officer in whom any portion of the fiscal duties of the above are under law separately placed.

(17) “Financial audit” means an examination of financial statements in order to express an opinion on the fairness with which they are presented in conformity with generally accepted accounting principles and an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements. Financial audits must be conducted in accordance with generally accepted auditing standards and government auditing standards as adopted by the Board of Accountancy and as prescribed by rules promulgated by the Auditor General.

(18) “Management letter” means a statement of the auditor’s comments and recommendations as prescribed by rules adopted by the Auditor General.

Section 62. Subsection (1) of section 218.32, Florida Statutes, is amended to read:

218.32 Annual financial reports; local governmental entities.—

(1)(a) Each local governmental entity that is determined to be a reporting entity, as defined by generally accepted accounting principles, and each independent special district as defined in s. 189.403, shall submit to the department a copy of its annual financial report for the previous fiscal year in a format prescribed by the department. The annual financial report must include a list of each local governmental entity included in the report and each local governmental entity that failed to provide financial information as required by paragraph (b). The chair of the governing body and the chief financial officer of each local governmental entity shall sign the annual financial report submitted pursuant to this subsection attesting to the accuracy of the information included in the report. The county annual financial report must be a single document that covers each county agency.

(b) Each component unit, as defined by generally accepted accounting principles, of a local governmental entity shall provide the local governmental entity, within a reasonable time period as established by the local governmental entity, with financial information necessary to comply with the reporting requirements contained in this section.

(c) Each regional planning council created under s. 186.504, each local government finance commission, board, or council, and each municipal power corporation created as a separate legal or administrative entity by interlocal agreement under s. 163.01(7) shall submit to the department a copy of its audit report and an annual financial report for the previous fiscal year in a format prescribed by the department.

(d) Each local governmental entity that is required to provide for an audit report in accordance with s. ~~218.39(1)~~ 11.45(3)(a)~~5~~. must submit the annual financial report with the audit report. A copy of the audit report and annual financial report must be submitted to the department within 45 days after the completion of the audit report but no later than 12 months after the end of the fiscal year.

(e) Each local governmental entity that is not required to provide for an audit report in accordance with s. 218.39 All other reporting entities must submit the annual financial report to the department no later than April 30 of each year. The department shall consult with the Auditor General in the development of the format of annual financial reports submitted pursuant to this paragraph. The format shall include balance sheet information to be utilized by the Auditor General pursuant to s. 11.45(7)(f). The department must forward the financial information contained within these entities' annual financial reports to the Auditor General in electronic form. This paragraph does not apply to housing authorities created under chapter 421.

~~(f)(e) If the department does not receive a completed annual financial report from a local governmental entity within the required period, it shall notify the Legislative Auditing Committee of the local governmental entity's failure to comply with the reporting requirements. The committee shall proceed in accordance with s. 11.40(5) report. Following receipt of notification of failure to report, the committee shall schedule a hearing for the purpose of receiving additional testimony addressing the failure of local governmental entities to comply with the reporting requirements of this section. After the hearing, the committee shall determine which local governmental entities will be subjected to further state action. If it finds that one or more local governmental entities should be subjected to further state action, the committee shall:~~

~~1. In the case of a county or municipality, request the Department of Revenue and the Department of Banking and Finance to withhold any funds not pledged for bond debt service satisfaction which are payable to the county or municipality until the required annual financial report is received by the department. The Department of Revenue and the Department of Banking and Finance are authorized to implement the provisions of this subparagraph. The committee, in its request, shall specify the date such action shall begin, and the request must be received by the Department of Revenue and the Department of Banking and Finance 30 days before the date of distribution mandated by law.~~

~~2. In the case of a special district, notify the Department of Community Affairs that the special district has failed to provide the required annual financial report. Upon notification, the Department of Community Affairs shall proceed pursuant to ss. 189.421 and 189.422.~~

~~3.— In the case of a special district that is a component unit and that did not provide the financial information required by paragraph (b) to the applicable reporting entity, notify the Department of Community Affairs that the special district has failed to provide the required financial information. Upon notification, the Department of Community Affairs shall proceed pursuant to ss. 189.421 and 189.422.~~

Section 63. Subsection (2) of section 218.33, Florida Statutes, is amended to read:

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

(2) Each local governmental entity shall follow uniform accounting practices and procedures as promulgated by rule of the department to assure the use of proper accounting and fiscal management by such units. Such rules shall include a uniform classification of accounts. The department shall make such reasonable rules regarding uniform accounting practices and procedures by local governmental entities in this state, including a uniform classification of accounts, as it considers necessary to assure the use of proper accounting and fiscal management techniques by such units.

Section 64. Subsection (3) of section 218.38, Florida Statutes, is amended to read:

218.38 Notice of bond issues required; verification.—

~~(3) If a unit of local government fails to verify pursuant to subsection (2) the information held by the division, or fails to provide the information required by subsection (1), the division shall notify the Legislative Auditing Committee of such failure to comply. The committee shall proceed in accordance with s. 11.40(5). Following receipt of such notification of failure to comply with these provisions, a hearing shall be scheduled by the committee for the purpose of receiving testimony addressing the failure of units of local government to comply with the requirements of this section. After the hearing, the committee shall determine which units of local government will be subjected to further state action. If it finds that one or more units of local government should be subjected to further state action, the committee shall:~~

~~(a) In the case of a unit of local government, request the Department of Revenue and the Department of Banking and Finance to withhold any funds not pledged for bond debt service satisfaction which are payable to such governmental entity. The Department of Revenue and the Department of Banking and Finance are authorized to implement the provisions of this paragraph. The committee, in its request, shall specify the date such action shall begin, and the request must be received by the Department of Revenue and the Department of Banking and Finance 30 days before the date of the distribution mandated by law.~~

~~(b) In the case of a special district, notify the Department of Community Affairs that the special district has failed to comply. Upon notification, the Department of Community Affairs shall proceed pursuant to ss. 189.421 and 189.422.~~

Section 65. Sections 218.39 and 218.391, Florida Statutes, are created to read:

218.39 Annual financial audit reports.—

(1) If, by the first day in any fiscal year, a local governmental entity, district school board, charter school, or charter technical career center has not been notified that a financial audit for that fiscal year will be performed by the Auditor General, each of the following entities shall have an annual financial audit of its accounts and records completed within 12 months after the end of its fiscal year by an independent certified public accountant retained by it and paid from its public funds:

(a) Each county.

(b) Any municipality with revenues or the total of expenditures and expenses in excess of \$250,000.

(c) Any special district with revenues or the total of expenditures and expenses in excess of \$100,000.

(d) Each district school board.

(e) Each charter school established under s. 228.056.

(f) Each charter technical center established under s. 228.505.

(g) Each municipality with revenues or the total of expenditures and expenses between \$100,000 and \$250,000 that has not been subject to a financial audit pursuant to this subsection for the 2 preceding fiscal years.

(h) Each special district with revenues or the total of expenditures and expenses between \$50,000 and \$100,000 that has not been subject to a financial audit pursuant to this subsection for the 2 preceding fiscal years.

(2) The county audit report shall be a single document that includes a financial audit of the county as a whole and, for each county agency other than a board of county commissioners, an audit of its financial accounts and records, including reports on compliance and internal control, management letters, and financial statements as required by rules adopted by the Auditor General. In addition to such requirements, if a board of county commissioners elects to have a separate audit of its financial accounts and records in the manner required by rules adopted by the Auditor General for other county agencies, such separate audit shall be included in the county audit report.

(3) A dependent special district may make provision for an annual financial audit by being included within the audit of another local governmental entity upon which it is dependent. An independent special district may not make provision for an annual financial audit by being included within the audit of another local governmental entity.

(4) A management letter shall be prepared and included as a part of each financial audit report.

(5) At the conclusion of the audit, the auditor shall discuss with the chair of each local governmental entity or the chair's designee, or with the elected official of each county agency or with the elected official's designee, or with the chair of the district school board or the chair's designee, or with the chair of the board of the charter school or the chair's designee, or with the chair of the charter technical career center or the chair's designee, as appropriate, all of the auditor's comments that will be included in the audit report. If the officer is not available to discuss the auditor's comments, their discussion is presumed when the comments are delivered in writing to his or her office. The auditor shall notify each member of the governing body of a local governmental entity or district school board for which deteriorating financial conditions exist that may cause a condition described in s. 218.503(1) to occur if actions are not taken to address such conditions.

(6) The officer's written statement of explanation or rebuttal concerning the auditor's findings, including corrective action to be taken, must be filed with the governing body of the local governmental entity, district school board, charter school, or charter technical career center within 30 days after the delivery of the auditor's findings.

(7) The predecessor auditor of a district school board shall provide the Auditor General access to the prior year's working papers in accordance with the Statements on Auditing Standards, including documentation of planning, internal control, audit results, and other matters of continuing accounting and auditing significance, such as the working paper analysis of balance sheet accounts and those relating to contingencies.

(8) All audits conducted in accordance with this section must be conducted in accordance with the rules of the Auditor General promulgated pursuant to s. 11.45. All audit reports and the officer's written statement of explanation or rebuttal must be submitted to the Auditor General within 45 days after delivery of the audit report to the entity's governing body, but no later than 12 months after the end of the fiscal year.

(9) Each charter school and charter technical career center must file a copy of its audit report with the sponsoring entity; the local district school board, if not the sponsoring entity; the Auditor General; and with the Department of Education.

(10) This section does not apply to housing authorities created under chapter 421.

(11) Notwithstanding the provisions of any local law, the provisions of this section shall govern.

#### 218.391 Auditor selection procedures.—

(1) Each local governmental entity, district school board, charter school, or charter technical career center shall use auditor selection procedures when selecting an auditor to conduct the annual financial audit required in s. 218.39.

(2) The governing body of a charter county, municipality, special district, charter school, or charter technical career center shall establish an auditor

selection committee and auditor selection procedures or use the procedures outlined in subsection (3). The purpose of the committee and the procedures is to contract with an auditor to conduct the annual financial audit required in s. 218.39.

(3) The governing body of a noncharter county or district school board that retains a certified public accountant shall establish an auditor selection committee and select an auditor according to the following procedure:

(a) For each noncharter county, the auditor selection committee shall consist of the county officers elected pursuant to s. 1(d), Art. VIII of the State Constitution, and one member of the board of county commissioners or its designee.

(b) The committee shall publicly announce, in a uniform and consistent manner, each occasion when auditing services are required to be purchased. Public notice must include a general description of the audit and must indicate how interested certified public accountants can apply for consideration.

(c) The committee shall encourage firms engaged in the lawful practice of public accounting who desire to provide professional services to submit annually a statement of qualifications and performance data.

(d) Any certified public accountant desiring to provide auditing services shall first be qualified pursuant to law. The committee shall make a finding that the firm or individual to be employed is fully qualified to render the required services. Among the factors to be considered in making this finding are the capabilities, adequacy of personnel, past record, and experience of the firm or individual.

(e) The committee shall adopt procedures for the evaluation of professional services, including, but not limited to, capabilities, adequacy of personnel, past record, experience, results of recent external quality control reviews, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(f) The public shall not be excluded from the proceedings under this subsection.

(g) The committee shall evaluate current statements of qualifications and performance data on file with the committee, together with those that may be submitted by other firms regarding the proposed audit, and shall conduct discussions with, and may require public presentations by, no fewer than three firms regarding their qualifications, approach to the audit, and ability to furnish the required services.

(h) The committee shall select in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the following factors: the ability of professional personnel; past performance; willingness to meet time requirements; location; and recent, current, and projected workloads of the firms. However, such distribution shall not violate the principle of selection of the most highly



qualified firms. If fewer than three firms desire to perform the services, the committee shall recommend such firms as it determines to be qualified.

(i) The committee may request, accept, and consider proposals for the compensation to be paid only during competitive negotiations under paragraph (h). The firm ranked first may then negotiate a contract with the board giving, among other things, a basis of its fee for that engagement. If the board is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be formally terminated, and the board shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, negotiations shall then be terminated with that firm and undertaken with the third-ranked firm. Negotiations with the other ranked firms shall be undertaken in the same manner. The board, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time. The board shall also negotiate on the scope and quality of services. In making such determination, the board shall conduct a detailed analysis of the cost of the professional services required in addition to considering their scope and complexity. For contracts over \$50,000, the board shall require the firm receiving the award to execute a truth-in-negotiations certificate stating that the rates of compensation and other factual unit costs supporting the compensation are accurate, complete, and current at the time of contracting. Such certificate shall also contain a description and disclosure of any understanding that places a limit on current or future years' audit contract fees, including any arrangements under which fixed limits on fees will not be subject to reconsideration if unexpected accounting or auditing issues are encountered. Such certificate shall also contain a description of any services rendered by the certified public accountant or firm of certified public accountants at rates or terms that are not customary. Any auditing service contract under which such a certificate is required must contain a provision that the original contract price and any additions thereto shall be adjusted to exclude any significant sums by which the board determines the contract price was increased due to inaccurate or incomplete factual unit costs. All such contract adjustments shall be made within 1 year following the end of the contract.

(j) If the board is unable to negotiate a satisfactory contract with any of the selected firms, the committee shall select additional firms, and the board shall continue negotiations in accordance with this subsection until an agreement is reached.

Section 66. Subsection (22) of section 218.415, Florida Statutes, is amended to read:

218.415 Local government investment policies.—Investment activity by a unit of local government must be consistent with a written investment plan adopted by the governing body, or in the absence of the existence of a governing body, the respective principal officer of the unit of local government and maintained by the unit of local government or, in the alternative, such activity must be conducted in accordance with subsection (17). Any such unit of local government shall have an investment policy for any public funds in excess of the amounts needed to meet current expenses as provided

in subsections (1)-(16), or shall meet the alternative investment guidelines contained in subsection (17). Such policies shall be structured to place the highest priority on the safety of principal and liquidity of funds. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. Each unit of local government shall adopt policies that are commensurate with the nature and size of the public funds within its custody.

(22) AUDITS.—Certified public accountants conducting audits of units of local government pursuant to s. 218.39 ~~11.45~~ shall report, as part of the audit, whether or not the unit of local government has complied with this section.

Section 67. Paragraph (g) of subsection (8) of section 228.056, Florida Statutes, is amended to read:

228.056 Charter schools.—

(8) REQUIREMENTS.—

(g) A charter school shall provide for ~~be subject to~~ an annual financial audit in accordance with s. 218.39 ~~a manner similar to that of a school district~~.

Section 68. Paragraph (d) of subsection (3) of section 228.093, Florida Statutes, is amended to read:

228.093 Pupil and student records and reports; rights of parents, guardians, pupils, and students; notification; penalty.—

(3) RIGHTS OF PARENT, GUARDIAN, PUPIL, OR STUDENT.—The parent or guardian of any pupil or student who attends or has attended any public school, area vocational-technical training center, community college, or institution of higher education in the State University System shall have the following rights with respect to any records or reports created, maintained, and used by any public educational institution in the state. However, whenever a pupil or student has attained 18 years of age, or is attending an institution of postsecondary education, the permission or consent required of, and the rights accorded to, the parents of the pupil or student shall thereafter be required of and accorded to the pupil or student only, unless the pupil or student is a dependent pupil or student of such parents as defined in 26 U.S.C. s. 152 (s. 152 of the Internal Revenue Code of 1954). The State Board of Education shall formulate, adopt, and promulgate rules whereby parents, guardians, pupils, or students may exercise these rights:

(d) Right of privacy.—Every pupil or student shall have a right of privacy with respect to the educational records kept on him or her. Personally identifiable records or reports of a pupil or student, and any personal information contained therein, are confidential and exempt from the provisions of s. 119.07(1). No state or local educational agency, board, public school, area technical center, community college, or institution of higher education in the State University System shall permit the release of such records, reports, or information without the written consent of the pupil's or student's parent or guardian, or of the pupil or student himself or herself if he

or she is qualified as provided in this subsection, to any individual, agency, or organization. However, personally identifiable records or reports of a pupil or student may be released to the following persons or organizations without the consent of the pupil or the pupil's parent:

1. Officials of schools, school systems, area technical centers, community colleges, or institutions of higher learning in which the pupil or student seeks or intends to enroll; and a copy of such records or reports shall be furnished to the parent, guardian, pupil, or student upon request.

2. Other school officials, including teachers within the educational institution or agency, who have legitimate educational interests in the information contained in the records.

3. The United States Secretary of Education, the Director of the National Institute of Education, the Assistant Secretary for Education, the Comptroller General of the United States, or state or local educational authorities who are authorized to receive such information subject to the conditions set forth in applicable federal statutes and regulations of the United States Department of Education, or in applicable state statutes and rules of the State Board of Education.

4. Other school officials, in connection with a pupil's or student's application for or receipt of financial aid.

5. Individuals or organizations conducting studies for or on behalf of an institution or a board of education for the purpose of developing, validating, or administering predictive tests, administering pupil or student aid programs, or improving instruction, if such studies are conducted in such a manner as will not permit the personal identification of pupils or students and their parents by persons other than representatives of such organizations and if such information will be destroyed when no longer needed for the purpose of conducting such studies.

6. Accrediting organizations, in order to carry out their accrediting functions.

7. School readiness coalitions and the Florida Partnership for School Readiness in order to carry out their assigned duties.

8. For use as evidence in pupil or student expulsion hearings conducted by a district school board pursuant to the provisions of chapter 120.

9. Appropriate parties in connection with an emergency, if knowledge of the information in the pupil's or student's educational records is necessary to protect the health or safety of the pupil, student, or other individuals.

10. The Auditor General and the Office of Program Policy Analysis and Government Accountability in connection with their his or her official functions; however, except when the collection of personally identifiable information is specifically authorized by law, any data collected by the Auditor General and the Office of Program Policy Analysis and Government Accountability is confidential and exempt from the provisions of s. 119.07(1)

and shall be protected in such a way as will not permit the personal identification of students and their parents by other than the Auditor General, the Office of Program Policy Analysis and Government Accountability, and their his or her staff, and such personally identifiable data shall be destroyed when no longer needed for the Auditor General's and the Office of Program Policy Analysis and Government Accountability's official use.

11.a. A court of competent jurisdiction in compliance with an order of that court or the attorney of record pursuant to a lawfully issued subpoena, upon the condition that the pupil or student and the pupil's or student's parent are notified of the order or subpoena in advance of compliance therewith by the educational institution or agency.

b. A person or entity pursuant to a court of competent jurisdiction in compliance with an order of that court or the attorney of record pursuant to a lawfully issued subpoena, upon the condition that the pupil or student, or his or her parent if the pupil or student is either a minor and not attending an institution of postsecondary education or a dependent of such parent as defined in 26 U.S.C. s. 152 (s. 152 of the Internal Revenue Code of 1954), is notified of the order or subpoena in advance of compliance therewith by the educational institution or agency.

12. Credit bureaus, in connection with an agreement for financial aid which the student has executed, provided that such information may be disclosed only to the extent necessary to enforce the terms or conditions of the financial aid agreement. Credit bureaus shall not release any information obtained pursuant to this paragraph to any person.

13. Parties to an interagency agreement among the Department of Juvenile Justice, school and law enforcement authorities, and other signatory agencies for the purpose of reducing juvenile crime and especially motor vehicle theft by promoting cooperation and collaboration, and the sharing of appropriate information in a joint effort to improve school safety, to reduce truancy, in-school and out-of-school suspensions, to support alternatives to in-school and out-of-school suspensions and expulsions that provide structured and well-supervised educational programs supplemented by a coordinated overlay of other appropriate services designed to correct behaviors that lead to truancy, suspensions, and expulsions, and which support students in successfully completing their education. Information provided in furtherance of such interagency agreements is intended solely for use in determining the appropriate programs and services for each juvenile or the juvenile's family, or for coordinating the delivery of such programs and services, and as such is inadmissible in any court proceedings prior to a dispositional hearing unless written consent is provided by a parent, guardian, or other responsible adult on behalf of the juvenile.

This paragraph does not prohibit any educational institution from publishing and releasing to the general public directory information relating to a pupil or student if the institution elects to do so. However, no educational institution shall release, to any individual, agency, or organization which is not listed in subparagraphs 1.-13., directory information relating to the student body in general or a portion thereof unless it is normally published

for the purpose of release to the public in general. Any educational institution making directory information public shall give public notice of the categories of information which it has designated as directory information with respect to all pupils or students attending the institution and shall allow a reasonable period of time after such notice has been given for a parent, guardian, pupil, or student to inform the institution in writing that any or all of the information designated should not be released.

Section 69. Paragraph (e) of subsection (11) of section 228.505, Florida Statutes, is amended to read:

228.505 Charter technical career centers.—

(11) FUNDING.—

(e) A center shall provide for ~~is subject to~~ an annual financial audit in accordance with s. 218.39 ~~a manner similar to that of a school district or community college.~~

Section 70. Subsection (4) of section 229.8021, Florida Statutes, is amended to read:

229.8021 Direct-support organization; use of property; board of directors; audit.—

(4) ANNUAL AUDIT.—~~The direct-support organization shall provide make provision for an annual financial audit postaudit of its financial accounts to be conducted by an independent, certified public accountant in accordance with s. 218.39 rules to be promulgated by the State Board of Education. The annual audit report shall include a management letter and shall be submitted to the Auditor General and the State Board of Education for review. The State Board of Education and the Auditor General have the authority to require and receive from the organization or from its independent auditor any detail or supplemental data relative to the operation of the organization. The identity of donors and all information identifying donors and prospective donors is confidential and exempt from the provisions of s. 119.07(1), and that anonymity shall be maintained in the auditor's report. All other records and information shall be considered public records for the purposes of chapter 119.~~

Section 71. Paragraphs (l) and (m) are added to subsection (10) of section 230.23, Florida Statutes, to read:

230.23 Powers and duties of school board.—The school board, acting as a board, shall exercise all powers and perform all duties listed below:

(10) FINANCE.—Take steps to assure children adequate educational facilities through the financial procedure authorized in chapters 236 and 237 and as prescribed below:

(l) Internal auditor.—The school board may employ an internal auditor to perform ongoing financial verification of the financial records of the school district. The internal auditor shall report directly to the school board or its designee.

(m) Financial and performance audits.—In addition to the audits required by ss. 11.45 and 218.39, the school board may contract with an independent certified public accountant to conduct a financial or performance audit of its accounts and records retained by it and paid from its public funds.

Section 72. Subsection (4) of section 230.23025, Florida Statutes, is amended to read:

230.23025 Best financial management practices; standards; reviews; designation of districts.—

(4) District school boards that agree by a majority plus one vote to institute the action plan shall submit an annual report to the Legislature, the Governor, the SMART Schools Clearinghouse, OPPAGA, the Auditor General, and the Commissioner of Education on progress made towards implementing the plan and whether changes have occurred in other areas of operation which would affect compliance with the best practices. Such districts shall be reviewed annually by OPPAGA, in addition to the annual financial audit required under s. 218.39 11.45, to determine whether they have attained compliance with the best financial management practices in the areas covered by the plan. Districts that are found to comply with the best financial management practices shall receive a “Seal of Best Financial Management” by the State Board of Education certifying that the district is adhering to the state’s best financial management practices. This designation shall be effective for a 5-year period, after which the district school board may reapply for the designation to be granted after another financial management practice review. During the designation period, the district school board shall annually notify the SMART Schools Clearinghouse, OPPAGA, the Auditor General, and the State Board of Education of any changes in policies or operations or any other situations that would not conform to the state’s best financial management practices. The State Board of Education may revoke the designation of a district at any time if it determines that a district is no longer complying with the state’s best financial management practices.

Section 73. Subsection (4) of section 237.40, Florida Statutes, is amended to read:

237.40 Direct-support organization; use of property; board of directors; audit.—

(4) ANNUAL AUDIT.—~~Each~~ The direct-support organization shall ~~provide make provisions~~ for an annual financial audit ~~postaudit~~ of its financial accounts and records, to be conducted by an independent certified public accountant ~~the district auditor~~ in accordance with rules ~~to be~~ adopted by the Auditor General pursuant to s. 11.45(8) and the Commissioner of Education. ~~The annual audit report shall include a management letter and shall be submitted within 9 months after the fiscal year’s end to filed as a public record in the district school board and the Auditor General.~~ The Commissioner of Education, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability have the authority to require and receive from the organization or the district auditor any records

~~detail or supplemental data~~ relative to the operation of the organization. The identity of donors and all information identifying donors and prospective donors are confidential and exempt from the provisions of s. 119.07(1), and that anonymity shall be maintained in the auditor's report. All other records and information shall be ~~are~~ considered public records for the purposes of chapter 119.

Section 74. Subsection (1) of section 240.214, Florida Statutes, is amended to read:

240.214 State University System accountability process.—It is the intent of the Legislature that an accountability process be implemented which provides for the systematic, ongoing evaluation of quality and effectiveness in the State University System. It is further the intent of the Legislature that this accountability process monitor performance at the system level in each of the major areas of instruction, research, and public service, while recognizing the differing missions of each of the state universities. The accountability process shall provide for the adoption of systemwide performance standards and performance goals for each standard identified through a collaborative effort involving the State University System, the Legislature, and the Governor's Office. These standards and goals shall be consistent with s. 216.011(1) to maintain congruity with the performance-based budgeting process. This process requires that university accountability reports reflect measures defined through performance-based budgeting. The performance-based budgeting measures must also reflect the elements of teaching, research, and service inherent in the missions of the institutions in the State University System.

(1) By December 31 of each year, the Board of Regents shall submit an annual accountability report providing information on the implementation of performance standards, actions taken to improve university achievement of performance goals, the achievement of performance goals during the prior year, and initiatives to be undertaken during the next year. The accountability reports shall be designed in consultation with the Governor's Office, the Office of Program Policy Analysis and Government Accountability ~~the Auditor General~~, and the Legislature.

Section 75. Subsection (5) of section 240.299, Florida Statutes, is amended to read:

240.299 Direct-support organizations; use of property; board of directors; activities; audit; facilities.—

(5) ANNUAL AUDIT.—Each direct-support organization shall provide ~~make provisions~~ for an annual financial audit ~~postaudit~~ of its financial accounts and records to be conducted by an independent certified public accountant in accordance with rules adopted ~~to be promulgated~~ by the Auditor General pursuant to s. 11.45(8) and by the Board of Regents. The annual audit report shall include a management letter and shall be submitted, within 9 months after the end of the fiscal year, to the Auditor General and the Board of Regents for review. The Board of Regents, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability shall have the authority to require and receive from the organi-

zation or from its independent auditor any ~~records detail or supplemental data~~ relative to the operation of the organization. The identity of donors who desire to remain anonymous shall be protected, and that anonymity shall be maintained in the auditor's report. All records of the organization other than the auditor's report, management letter, and any supplemental data requested by the Board of Regents, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability shall be confidential and exempt from the provisions of s. 119.07(1).

Section 76. Subsection (5) of section 240.2995, Florida Statutes, is amended to read:

240.2995 University health services support organizations.—

(5) Each university health services support organization shall provide ~~make provisions~~ for an annual financial audit ~~postaudit~~ of its financial accounts to be conducted by an independent certified public accountant in accordance with s. 240.299(4) rules of the Board of Regents. ~~The annual audit report shall include a management letter and shall be submitted to the Auditor General and the Board of Regents for review. The Board of Regents and the Auditor General shall have the authority to require and receive from the organization or from its independent auditor any detail or supplemental data relative to the operation of the organization.~~ The auditor's report, management letter, and any supplemental data requested by the Board of Regents and the Auditor General shall be considered public records, pursuant to s. 119.07.

Section 77. Paragraph (c) of subsection (8) of section 240.311, Florida Statutes, is amended to read:

240.311 State Board of Community Colleges; powers and duties.—

(8)

(c) Any Florida not-for-profit corporation receiving funds pursuant to this section shall make provisions for an annual postaudit of its financial accounts to be conducted by an independent certified public accountant in accordance with rules to be adopted by the board. The annual audit report shall be submitted to the Auditor General and the board for review. The board, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability shall have the authority to require and receive from the organization or from its independent auditor any detail or supplemental data relative to the operation of the organization.

Section 78. Subsection (6) of section 240.331, Florida Statutes, is amended to read:

240.331 Community college direct-support organizations.—

(6) ANNUAL AUDIT.—Each direct-support organization shall provide ~~make provisions~~ for an annual financial audit ~~postaudit~~ of its financial accounts to be conducted by an independent certified public accountant in accordance with rules adopted ~~to be promulgated~~ by the Auditor General



pursuant to s. 11.45(8) district board of trustees. The annual audit report must be submitted, within 9 months after the end of the fiscal year, to the Auditor General, the State Board of Community Colleges, and the board of trustees for review. The board of trustees, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability may require and receive from the organization or from its independent auditor any detail or supplemental data relative to the operation of the organization. The identity of donors who desire to remain anonymous shall be protected, and that anonymity shall be maintained in the auditor's report. All records of the organization, other than the auditor's report, any information necessary for the auditor's report, any information related to the expenditure of funds, and any supplemental data requested by the board of trustees, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability, shall be confidential and exempt from the provisions of s. 119.07(1).

Section 79. Subsection (6) of section 240.3315, Florida Statutes, is amended to read:

240.3315 Statewide community college direct-support organizations.—

(6) ANNUAL AUDIT.—~~A statewide community college direct-support organization shall provide make provisions for an annual financial audit postaudit of its financial accounts to be conducted by an independent certified public accountant in accordance with s. 240.331 rules to be adopted by the State Board of Community Colleges. The annual audit report shall be submitted to the Auditor General and the State Board of Community Colleges for review. The State Board of Community Colleges and the Auditor General shall have the authority to require and receive from the organization or from its independent auditor any detail or supplemental data relative to the operation of the organization. The identity of a donor or prospective donor who desires to remain anonymous and all information identifying such donor or prospective donor are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Such anonymity shall be maintained in the auditor's report.~~

Section 80. Section 240.3631, Florida Statutes, is created to read:

240.3631 Financial and performance audits.—Each district board of trustees of a community college is authorized to have an audit of their accounts and records by an independent certified public accountant retained by them and paid from their public funds. These audits are in addition to those required by s. 11.45.

Section 81. Paragraph (d) of subsection (2) and paragraph (b) of subsection (8) of section 240.512, Florida Statutes, are amended to read:

240.512 H. Lee Moffitt Cancer Center and Research Institute.—There is established the H. Lee Moffitt Cancer Center and Research Institute at the University of South Florida.

(2) The Board of Regents shall provide in the agreement with the not-for-profit corporation for the following:

(d) Preparation of an annual postaudit of the not-for-profit corporation's financial accounts and the financial accounts of any subsidiaries to be conducted by an independent certified public accountant. The annual audit report shall include management letters and shall be submitted to the Auditor General and the Board of Regents for review. The Board of Regents, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability shall have the authority to require and receive from the not-for-profit corporation and any subsidiaries or from their independent auditor any detail or supplemental data relative to the operation of the not-for-profit corporation or subsidiary.

(8)

(b) Proprietary confidential business information is confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution. However, the Auditor General, the Office of Program Policy Analysis and Government Accountability, and Board of Regents, pursuant to their oversight and auditing functions, must be given access to all proprietary confidential business information upon request and without subpoena and must maintain the confidentiality of information so received. As used in this paragraph, the term "proprietary confidential business information" means information, regardless of its form or characteristics, which is owned or controlled by the not-for-profit corporation or its subsidiaries; is intended to be and is treated by the not-for-profit corporation or its subsidiaries as private and the disclosure of which would harm the business operations of the not-for-profit corporation or its subsidiaries; has not been intentionally disclosed by the corporation or its subsidiaries unless pursuant to law, an order of a court or administrative body, a legislative proceeding pursuant to s. 5, Art. III of the State Constitution, or a private agreement that provides that the information may be released to the public; and which is information concerning:

1. Internal auditing controls and reports of internal auditors;
2. Matters reasonably encompassed in privileged attorney-client communications;
3. Contracts for managed-care arrangements, including preferred provider organization contracts, health maintenance organization contracts, and exclusive provider organization contracts, and any documents directly relating to the negotiation, performance, and implementation of any such contracts for managed-care arrangements;
4. Bids or other contractual data, banking records, and credit agreements the disclosure of which would impair the efforts of the not-for-profit corporation or its subsidiaries to contract for goods or services on favorable terms;
5. Information relating to private contractual data, the disclosure of which would impair the competitive interest of the provider of the information;

6. Corporate officer and employee personnel information;
7. Information relating to the proceedings and records of credentialing panels and committees and of the governing board of the not-for-profit corporation or its subsidiaries relating to credentialing;
8. Minutes of meetings of the governing board of the not-for-profit corporation and its subsidiaries, except minutes of meetings open to the public pursuant to subsection (9);
9. Information that reveals plans for marketing services that the corporation or its subsidiaries reasonably expect to be provided by competitors;
10. Trade secrets as defined in s. 688.002, including reimbursement methodologies or rates; or
11. The identity of donors or prospective donors of property who wish to remain anonymous or any information identifying such donors or prospective donors. The anonymity of these donors or prospective donors must be maintained in the auditor's report.

As used in this paragraph, the term "managed care" means systems or techniques generally used by third-party payors or their agents to affect access to and control payment for health care services. Managed-care techniques most often include one or more of the following: prior, concurrent, and retrospective review of the medical necessity and appropriateness of services or site of services; contracts with selected health care providers; financial incentives or disincentives related to the use of specific providers, services, or service sites; controlled access to and coordination of services by a case manager; and payor efforts to identify treatment alternatives and modify benefit restrictions for high-cost patient care.

Section 82. Subsection (3) of section 240.5285, Florida Statutes, is amended to read:

240.5285 Florida Atlantic University campuses.—

(3) The Board of Regents shall take all actions necessary to assure that Florida Atlantic University Broward and Florida Atlantic University Boca Raton are partners in the overall policymaking and academic governance structures of the university. Annual legislative budget requests for operations and facilities shall separately identify those funds requested for Florida Atlantic University Broward and Florida Atlantic University Boca Raton. Florida Atlantic University Broward and Florida Atlantic University Boca Raton shall have local management authority over their campus faculty, staff, and programs, but there shall be universitywide standards and processes for evaluating requests for promotion and tenure; there shall be complete transferability of credits and uniform programs across campuses; and colleges operating on multiple campuses shall have only one dean for each college. Florida Atlantic University Broward shall establish a faculty senate and may establish a direct-support organization. Any such direct-support organization shall be subject to s. 240.299(4).

Section 83. Paragraphs (b), (c), (d), (e), (f), and (g) of subsection (22) of section 240.551, Florida Statutes, are amended to read:

240.551 Florida Prepaid College Program.—

(22) DIRECT-SUPPORT ORGANIZATION; AUTHORITY.—

(b) The direct-support organization shall operate under written contract with the board. The contract must provide for:

1. Approval of the articles of incorporation and bylaws of the direct-support organization by the board.

2. Submission of an annual budget for the approval of the board. The budget must comply with rules adopted by the board.

3. An annual financial ~~and compliance~~ audit of its financial accounts and records by an independent certified public accountant in accordance with s. 215.98 ~~rules adopted by the board~~.

4. Certification by the board that the direct-support organization is complying with the terms of the contract and in a manner consistent with the goals and purposes of the board and in the best interest of the state. Such certification must be made annually and reported in the official minutes of a meeting of the board.

5. The reversion to the board, or to the state if the board ceases to exist, of moneys and property held in trust by the direct-support organization for the benefit of the board or program if the direct-support organization is no longer approved to operate for the board or if the board ceases to exist.

6. The fiscal year of the direct-support organization, which must begin July 1 of each year and end June 30 of the following year.

7. The disclosure of material provisions of the contract and of the distinction between the board and the direct-support organization to donors of gifts, contributions, or bequests, and such disclosure on all promotional and fundraising publications.

~~(c) An annual financial and compliance audit of the financial accounts and records of the direct-support organization must be performed by an independent certified public accountant. The audit must be submitted to the board for review and approval. Upon approval, the board shall certify the audit report to the Auditor General for review. The board and Auditor General shall have the authority to require and receive from the organization or its independent auditor any detail or supplemental data relative to the operation of the organization.~~

~~(c)~~(d) The identity of donors who desire to remain anonymous shall be confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution, and such anonymity shall be maintained in the auditor's report. Information received by the organization that is otherwise confidential or exempt by law shall retain such status. Any sensitive, personal information regarding contract beneficiaries, including their identi-

ties, is exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(d)(e) The chair and the executive director of the board shall be directors of the direct-support organization and shall jointly name three other individuals to serve as directors of the organization.

(e)(f) The board may authorize the direct-support organization established in this subsection to use program property, except money, and use facilities and personal services subject to the provisions of this section. If the direct-support organization does not provide equal employment opportunities to all persons regardless of race, color, religion, sex, age, or national origin, it may not use the property, facilities, or personal services of the board. For the purposes of this subsection, the term "personal services" includes full-time personnel and part-time personnel as well as payroll processing as prescribed by rule of the board. The board shall adopt rules prescribing the procedures by which the direct-support organization is governed and any conditions with which such a direct-support organization must comply to use property, facilities, or personal services of the board.

(f)(g) The board may invest funds of the direct-support organization which have been allocated for the purchase of advance payment contracts for scholarships with receipts for advance payment contracts.

Section 84. Subsection (6) of section 240.609, Florida Statutes, is amended to read:

240.609 Postsecondary endowment grants.—

(6) Matching endowment grants made pursuant to this section to a qualified independent nonprofit college or university shall be placed in a separate restricted endowment by such institution. The interest or other income accruing from the endowment shall be expended exclusively for professorships, library resources, scientific and technical equipment, and nonathletic scholarships. Moreover, the funds in the endowment shall not be used for pervasively sectarian instruction, religious worship, or theology or divinity programs or resources. The records of the endowment shall be subject to review by the department and audit or examination by the Auditor General and the Office of Program Policy Analysis and Government Accountability. If any institution receiving a matching endowment grant pursuant to this section ceases operations and undergoes dissolution proceedings, then all funds received pursuant to this section from the state shall be returned.

Section 85. Paragraph (h) of subsection (2) of section 240.711, Florida Statutes, is amended to read:

240.711 Ringling Center for Cultural Arts.—

(2)

(h) The John and Mable Ringling Museum of Art direct-support organization shall provide for ~~cause~~ an annual financial ~~audit of its financial~~ accounts ~~to be conducted by an independent certified public accountant,~~

performed in accordance with s. 240.299(4) ~~generally accepted accounting standards~~. Florida State University is authorized to require and receive from the direct-support organization, or from its independent auditor, any detail or supplemental data relative to the operation of such organization. Information that, if released, would identify donors who desire to remain anonymous, is confidential and exempt from the provisions of s. 119.07(1). Information that, if released, would identify prospective donors is confidential and exempt from the provisions of s. 119.07(1) when the direct-support organization has identified the prospective donor itself and has not obtained the name of the prospective donor by copying, purchasing, or borrowing names from another organization or source. Identities of such donors and prospective donors shall not be revealed in the auditor's report.

Section 86. Subsection (6) of section 250.115, Florida Statutes, is amended to read:

250.115 Department of Military Affairs direct-support organization.—

(6) ANNUAL AUDIT.—The direct-support organization shall provide ~~make provisions for an annual financial audit postaudit of its financial accounts to be conducted by an independent certified public accountant in accordance with s. 215.98 rules to be promulgated by the Adjutant General. The annual audit report shall be submitted to the Auditor General and the Adjutant General. The Adjutant General and the Auditor General may require and receive from the organization or its independent auditor any detail or supplemental data relative to the operation of the organization.~~

Section 87. Subsection (11) of section 253.025, Florida Statutes, is amended to read:

253.025 Acquisition of state lands for purposes other than preservation, conservation, and recreation.—

(11) The Auditor General shall conduct audits performance postaudits of acquisitions and divestitures which, according to his or her preliminary assessments of board-approved acquisitions and divestitures, ~~review of the overall land acquisition program~~ he or she deems necessary. These preliminary assessments shall ~~selected reviews will~~ be initiated not later than ~~within~~ 60 days following the final approval by the board of land acquisitions under this section. If an audit is conducted, the Auditor General shall submit an audit report to the board of trustees, the President of the Senate, the Speaker of the House of Representatives, and their designees.

Section 88. Subsection (16) of section 259.041, Florida Statutes, is amended to read:

259.041 Acquisition of state-owned lands for preservation, conservation, and recreation purposes.—

(16) The Auditor General shall conduct audits performance postaudits of acquisitions and divestitures which he or she deems necessary, according to his or her preliminary assessments of board-approved acquisitions and divestitures ~~review of the overall land acquisition program~~. These preliminary assessments shall ~~selected reviews will~~ be initiated not later than

within 60 days following the final approval by the board of land acquisitions under this section. ~~If an audit is conducted,~~ the Auditor General shall submit an audit report to the board of trustees, the President of the Senate, the Speaker of the House of Representatives, and their designees.

Section 89. Subsection (7) of section 266.0018, Florida Statutes, is amended to read:

266.0018 Direct-support organization.—

(7) The direct-support organization shall provide for an annual financial and compliance audit of its financial accounts and records by an independent certified public accountant in accordance with s. 215.98 ~~rules established by the board~~. The annual audit report must be submitted to the board for review and approval. Upon approval, the board shall certify the audit report to the Auditor General for review.

Section 90. Subsection (3) of section 267.17, Florida Statutes, is amended to read:

267.17 Citizen support organizations; use of state property; audit.—

(3) ANNUAL AUDIT.—Each citizen support organization shall provide for cause an annual financial audit in accordance with s. 215.98 ~~postaudit of its financial accounts to be conducted by an independent certified public accountant. The annual audit report shall be submitted to the division for review. The Auditor General and the division are each authorized to require and obtain from the citizen support organization, or from its independent auditor, such data as may be needed relative to the operation of the organization.~~ The identity of donors who desire to remain anonymous shall be confidential and exempt from the provisions of s. 119.07(1), and that anonymity shall be maintained in the auditor's report.

Section 91. Subsection (6) of section 288.1226, Florida Statutes, is amended to read:

288.1226 Florida Tourism Industry Marketing Corporation; use of property; board of directors; duties; audit.—

(6) ANNUAL AUDIT.—The corporation shall provide ~~make provision for an annual financial audit in accordance with s. 215.98~~ ~~postaudit of its financial accounts to be conducted by an independent certified public accountant.~~ The annual audit report shall be due prior to December 1 of each year, shall ~~include a management letter,~~ and shall be submitted to the Auditor General; the Office of Policy Analysis and Government Accountability; and the Office of Tourism, Trade, and Economic Development for review. The Office of Program Policy Analysis and Government Accountability; the Office of Tourism, Trade, and Economic Development; and the Auditor General have the authority to require and receive from the corporation or from its independent auditor any detail or supplemental data relative to the operation of the corporation. The Office of Tourism, Trade, and Economic Development shall annually certify whether the corporation is operating in a manner and achieving the objectives that are consistent with the policies and goals of the

commission and its long-range marketing plan. The identity of a donor or prospective donor to the corporation who desires to remain anonymous and all information identifying such donor or prospective donor are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Such anonymity shall be maintained in the auditor's report.

Section 92. Subsection (5) of section 288.1229, Florida Statutes, is amended to read:

288.1229 Promotion and development of sports-related industries and amateur athletics; direct-support organization; powers and duties.—

(5) The organization shall provide for an annual financial and compliance audit in accordance with s. 215.98 of its financial accounts and records by an independent certified public accountant pursuant to rules established by the Office of Tourism, Trade, and Economic Development. The auditor shall submit the audit report to the director of the office for review and approval. ~~If the audit report is approved, the office shall certify the audit report to the Auditor General for review.~~

Section 93. Subsection (4) of section 288.809, Florida Statutes, is amended to read:

288.809 Florida Intergovernmental Relations Foundation; use of property; board of directors; audit.—

(4) ANNUAL AUDIT.—~~The foundation shall provide make provision for an annual financial audit in accordance with s. 215.98 postaudit of its financial accounts to be conducted by an independent, certified public accountant. The annual audit report shall include a management letter and shall be submitted to the Auditor General and the department for review. The department and the Auditor General have the authority to require and receive from the foundation or from its independent auditor any detail or supplemental data relative to the operation of the foundation.~~ The identity of a donor or prospective donor to the foundation who desires to remain anonymous and all information identifying such donor or prospective donor are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Such anonymity shall be maintained in the auditor's report.

Section 94. Section 288.9517, Florida Statutes, is amended to read:

288.9517 Audits; confidentiality.—

(1) The Auditor General and the director of the Office of Program Policy Analysis and Government Accountability may, pursuant to their his or her own authority or at the direction of the Legislative Auditing Committee, conduct an audit or examination of the technology development board or the programs or entities created by the board. The audit, examination, or report may not reveal the identity of any person who has anonymously made a donation to the board pursuant to subsection (2).

(2) The identity of a donor, prospective donor, or inventor who contributes to the board who desires to remain anonymous and all information



identifying such donor, prospective donor, or inventor who contributes to the board are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Such anonymity shall be maintained in the auditor's report.

Section 95. Subsection (5) of section 290.0056, Florida Statutes, is amended to read:

290.0056 Enterprise zone development agency.—

(5) The governing body shall designate a chair and vice chair from among the commissioners. An agency may employ an executive director, technical experts, and such other agents and employees, permanent and temporary, as it requires, and determine their qualifications, duties, and compensation. For such legal service as it requires, an agency may employ or retain its own counsel and legal staff. An agency authorized to transact business and exercise powers under this act shall file with the governing body ~~and with the Auditor General~~, on or before March 31 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the county or municipality and that the report is available for inspection during business hours in the office of the clerk of the municipality or county and in the office of the agency.

Section 96. Section 290.015, Florida Statutes, is amended to read:

290.015 Evaluation and review.—

(1) Prior to January 1, 1995, the department shall prescribe by rule, subject to the approval of the Office of Program Policy Analysis and Government Accountability Auditor General, a research design for the review and evaluation of ss. 290.001-290.016, together with the incentives listed in s. 290.007. The research design shall set forth the types of additional information necessary to effectuate the research design. Such information shall be provided in the report required pursuant to s. 290.014(2).

(2) Prior to the 2000 Regular Session of the Legislature, the Office of Program Policy Analysis and Government Accountability Auditor General shall perform a review and evaluation of ss. 290.001-290.016, together with the incentives listed in s. 290.007, using the research design promulgated pursuant to subsection (1). The report shall critique the enterprise zone program and shall include an analysis of the state incentives listed under s. 290.007. A report of the findings and recommendations of the Office of Program Policy Analysis and Government Accountability Auditor General shall be submitted to the President of the Senate and the Speaker of the House of Representatives prior to the 2000 Regular Session. The appropriate committees of the Senate and House of Representatives shall consider legislation to implement the recommendations of the Office of Program Policy Analysis and Government Accountability Auditor General.

(3) Prior to the 2001 Regular Session of the Legislature, the appropriate substantive committees of both the Senate and the House of Representatives, upon assignment by the President and Speaker, respectively, shall be responsible for the completion of a review and evaluation of ss. 290.001-290.016, together with the incentives listed in s. 290.007.

Section 97. Section 296.17, Florida Statutes, is amended to read:

296.17 Audit; inspection; and standards for the home.—The home shall be open at any time to audit and inspection by the Auditor General and the Office of Program Policy Analysis and Government Accountability, as provided by law ~~in s. 11.45~~, the Department of Veterans' Affairs, the United States Department of Veterans Affairs, and to any other audits or inspections as required by law to maintain appropriate standards in the home. The standards that the department shall use to regulate the operation of the home shall be those prescribed by the United States Department of Veterans Affairs, provided that where the state's standards are more restrictive, the standards of the state shall apply.

Section 98. Section 296.41, Florida Statutes, is amended to read:

296.41 Audit; inspection; standards for the home.—The home shall be open at any time to audit and inspection by the Auditor General and the Office of Program Policy Analysis and Government Accountability, as provided by law ~~in s. 11.45~~, the department, and the United States Department of Veterans Affairs, and to any other audits or inspections as required by law to maintain appropriate standards in the home. The standards that the department shall use to regulate the operation of the home shall be those prescribed by the United States Department of Veterans Affairs, provided that where the state's standards are more restrictive, the standards of the state shall apply.

Section 99. Paragraph (a) of subsection (3) of section 311.07, Florida Statutes, is amended to read:

311.07 Florida seaport transportation and economic development funding.—

(3)(a) Program funds shall be used to fund approved projects on a 50-50 matching basis with any of the deepwater ports, as listed in s. 403.021(9)(b), which is governed by a public body or any other deepwater port which is governed by a public body and which complies with the water quality provisions of s. 403.061, the comprehensive master plan requirements of s. 163.3178(2)(k), the local financial management and reporting provisions of part III of chapter 218, ~~and the auditing provisions of s. 11.45(3)(a)5~~. Program funds also may be used by the Seaport Transportation and Economic Development Council to develop with the Florida Trade Data Center such trade data information products which will assist Florida's seaports and international trade.

Section 100. Subsections (5), (6), and (7) of section 320.023, Florida Statutes, are amended to read:

320.023 Requests to establish voluntary checkoff on motor vehicle registration application.—

(5) A voluntary contribution collected and distributed under this chapter, or any interest earned from those contributions, may not be used for commercial or for-profit activities nor for general or administrative expenses, except as authorized by law, ~~or to pay the cost of the audit or report required by law.~~

(a) All organizations that receive annual use fee proceeds from the department are responsible for ensuring that proceeds are used in accordance with law.

~~(b) All organizational recipients of any voluntary contributions in excess of \$15,000, not otherwise subject to annual audit by the Office of the Auditor General, shall submit an annual audit of the expenditures of these contributions and interest earned from these contributions, to determine if expenditures are being made in accordance with the specifications outlined by law. The audit shall be prepared by a certified public accountant licensed under chapter 473 at that organizational recipient's expense. The notes to the financial statements should state whether expenditures were made in accordance with law.~~

(b)(c) Any organization not subject to In lieu of an annual audit pursuant to s. 215.97 shall, any organization receiving less than \$15,000 in voluntary contributions directly from the department may annually attest report, under penalties of perjury, that such proceeds were used in compliance with law. The attestation shall be made annually in a form and format determined by the department.

~~(c)(d)~~ Any voluntary contributions authorized by law shall only be distributed to an organization under an appropriation by the Legislature.

(d)(e) Any organization subject to audit pursuant to s. 215.97 shall submit an audit report in accordance with rules adopted by the Auditor General. The annual attestation audit or report shall be submitted to the department for review within 9 months ~~180 days~~ after the end of the organization's fiscal year.

(6) Within 90 days after receiving an organization's audit or attestation report, the department shall determine which recipients have not complied with subsection (5). If the department determines that an organization has not complied or has failed to use the revenues in accordance with law, the department must discontinue the distribution of the revenues to the organization until the department determines that the organization has complied. If an organization fails to comply within 12 months after the voluntary contributions are withheld by the department, the proceeds shall be deposited into the Highway Safety Operating Trust Fund to offset department costs.

~~(7) The Auditor General and the department~~ has have the authority to examine all records pertaining to the use of funds from the voluntary contributions authorized.

Section 101. Paragraph (b) of subsection (9) of section 320.08058, Florida Statutes, is amended to read:

320.08058 Specialty license plates.—

(9) FLORIDA PROFESSIONAL SPORTS TEAM LICENSE PLATES.—

(b) The license plate annual use fees are to be annually distributed as follows:

1. Fifty-five percent of the proceeds from the Florida Professional Sports Team plate must be deposited into the Professional Sports Development Trust Fund within the Office of Tourism, Trade, and Economic Development. These funds must be used solely to attract and support major sports events in this state. As used in this subparagraph, the term “major sports events” means, but is not limited to, championship or all-star contests of Major League Baseball, the National Basketball Association, the National Football League, the National Hockey League, the men’s and women’s National Collegiate Athletic Association Final Four basketball championship, or a horseracing or dogracing Breeders’ Cup. All funds must be used to support and promote major sporting events, and the uses must be approved by the Florida Sports Foundation.

2. The remaining proceeds of the Florida Professional Sports Team license plate must be allocated to the Florida Sports Foundation, a direct-support organization of the Office of Tourism, Trade, and Economic Development. These funds must be deposited into the Professional Sports Development Trust Fund within the Office of Tourism, Trade, and Economic Development. These funds must be used by the Florida Sports Foundation to promote the economic development of the sports industry; to distribute licensing and royalty fees to participating professional sports teams; to institute a grant program for communities bidding on minor sporting events that create an economic impact for the state; to distribute funds to Florida-based charities designated by the Florida Sports Foundation and the participating professional sports teams; and to fulfill the sports promotion responsibilities of the Office of Tourism, Trade, and Economic Development.

3. The Florida Sports Foundation shall provide an annual financial ~~and compliance~~ audit in accordance with s. 215.98 of its financial accounts and records by an independent certified public accountant pursuant to the contract established by the Office of Tourism, Trade, and Economic Development as specified in s. 288.1229(5). The auditor shall submit the audit report to the Office of Tourism, Trade, and Economic Development for review and approval. If the audit report is approved, the office shall certify the audit report to the Auditor General for review.

Section 102. Section 320.08062, Florida Statutes, is amended to read:

320.08062 Audits and attestations required; annual use fees of specialty license plates.—

(1)(a) All organizations that receive annual use fee proceeds from the department are responsible for ensuring that proceeds are used in accordance with ss. 320.08056 and 320.08058.

~~(b) All organizational recipients of any specialty license plate annual use fee authorized in this chapter, not otherwise subject to annual audit by the Office of the Auditor General, shall submit an annual audit of the expenditures of annual use fees and interest earned from these fees, to determine if expenditures are being made in accordance with the specifications outlined by law. The audit shall be prepared by a certified public accountant licensed under chapter 473 at that organizational recipient's expense. The notes to the financial statements should state whether expenditures were made in accordance with ss. 320.08056 and 320.08058.~~

~~(b)(c) Any organization not subject to In lieu of an annual audit pursuant to s. 215.97 shall, any organization receiving less than \$25,000 in annual use fee proceeds directly from the department, or from another state agency, may annually attest report, under penalties of perjury, that such proceeds were used in compliance with ss. 320.08056 and 320.08058. The attestation shall be made annually in a form and format determined by the department.~~

~~(c)(d) Any organization subject to audit pursuant to s. 215.97 shall submit an audit report in accordance with rules adopted by the Auditor General. The annual attestation audit or report shall be submitted to the department for review within 9 months 180 days after the end of the organization's fiscal year.~~

(2) Within 90 days after receiving an organization's audit or attestation report, the department shall determine which recipients of revenues from specialty license plate annual use fees have not complied with subsection (1). If the department determines that an organization has not complied or has failed to use the revenues in accordance with ss. 320.08056 and 320.08058, the department must discontinue the distribution of the revenues to the organization until the department determines that the organization has complied. If an organization fails to comply within 12 months after the annual use fee proceeds are withheld by the department, the proceeds shall be deposited into the Highway Safety Operating Trust Fund to offset department costs related to the issuance of specialty license plates.

(3) ~~The Auditor General and the department~~ has have the authority to examine all records pertaining to the use of funds from the sale of specialty license plates.

Section 103. Subsections (5), (6), and (7) of section 322.081, Florida Statutes, are amended to read:

322.081 Requests to establish voluntary checkoff on driver's license application.—

(5) A voluntary contribution collected and distributed under this chapter, or any interest earned from those contributions, may not be used for commercial or for-profit activities nor for general or administrative expenses, except as authorized by law, ~~or to pay the cost of the audit or report required by law.~~

(a) All organizations that receive annual use fee proceeds from the department are responsible for ensuring that proceeds are used in accordance with law.

~~(b) All organizational recipients of any voluntary contributions in excess of \$15,000, not otherwise subject to annual audit by the Office of the Auditor General, shall submit an annual audit of the expenditures of these contributions and interest earned from these contributions, to determine if expenditures are being made in accordance with the specifications outlined by law. The audit shall be prepared by a certified public accountant licensed under chapter 473 at that organizational recipient's expense. The notes to the financial statements should state whether expenditures were made in accordance with law.~~

~~(b)(c) Any organization not subject to In lieu of an annual audit pursuant to s. 215.97 shall, any organization receiving less than \$15,000 in voluntary contributions directly from the department may annually attest report, under penalties of perjury, that such proceeds were used in compliance with law. The attestation shall be made annually in a form and format determined by the department.~~

~~(c)(d) Any voluntary contributions authorized by law shall only be distributed to an organization under an appropriation by the Legislature.~~

~~(d)(e) Any organization subject to audit pursuant to s. 215.97 shall submit an audit report in accordance with rules adopted by the Auditor General. The annual attestation audit or report must be submitted to the department for review within 9 months 180 days after the end of the organization's fiscal year.~~

(6) Within 90 days after receiving an organization's audit or attestation report, the department shall determine which recipients have not complied with subsection (5). If the department determines that an organization has not complied or has failed to use the revenues in accordance with law, the department must discontinue the distribution of the revenues to the organization until the department determines that the organization has complied. If an organization fails to comply within 12 months after the voluntary contributions are withheld by the department, the proceeds shall be deposited into the Highway Safety Operating Trust Fund to offset department costs.

(7) ~~The Auditor General and the department~~ has have the authority to examine all records pertaining to the use of funds from the voluntary contributions authorized.

Section 104. Subsection (4) of section 334.0445, Florida Statutes, is amended to read:

334.0445 Model career service classification and compensation plan.—

(4) The department shall issue a baseline report on the performance measures outlined in subsection (3) within 30 days after implementation of this act and shall provide quarterly progress reports to the Department of Management Services, the Executive Office of the Governor, legislative appropriations committees, legislative personnel committees, the Auditor General, the Office of Program Policy Analysis and Government Accountability, and the affected certified bargaining unions. Such reports shall contain the

mandatory measures listed in this legislation, as well as other mutually agreed-upon measures between the Department of Transportation, the Department of Management Services, the Executive Office of the Governor, legislative appropriations committees, legislative personnel committees, and the affected certified bargaining unions.

Section 105. Subsection (5) of section 339.406, Florida Statutes, is amended, and subsection (7) is added to said section, to read:

339.406 Contract between the department and the corporation.—The contract must provide for:

(5) ~~The Yearly financial and compliance audits for each corporation filing with by the department an annual financial audit as defined in s. 11.45 and a management letter and the Auditor General.~~

(7) The authority for the department and the Auditor General to conduct audits.

Section 106. Paragraph (a) of subsection (13) of section 365.171, Florida Statutes, is amended to read:

365.171 Emergency telephone number “911.”—

(13) “911” FEE.—

(a) Following approval by referendum as set forth in paragraph (b), or following approval by a majority vote of its board of county commissioners, a county may impose a “911” fee to be paid by the local exchange subscribers within its boundaries served by the “911” service. Proceeds from the “911” fee shall be used only for “911” expenditures as set forth in subparagraph 6. The manner of imposing and collecting said payment shall be as follows:

1. At the request of the county subscribing to “911” service, the telephone company shall, insofar as is practicable, bill the “911” fee to the local exchange subscribers served by the “911” service, on an individual access line basis, at a rate not to exceed 50 cents per month per line (up to a maximum of 25 access lines per account bill rendered). However, the fee may not be assessed on any pay telephone in this state. A county collecting the fee for the first time may collect the fee for no longer than 36 months without initiating the acquisition of its “911” equipment.

2. Fees collected by the telephone company pursuant to subparagraph 1. shall be returned to the county, less the costs of administration retained pursuant to paragraph (c). The county shall provide a minimum of 90 days’ written notice to the telephone company prior to the collection of any “911” fees.

3. Any county that currently has an operational “911” system or that is actively pursuing the implementation of a “911” system shall establish a fund to be used exclusively for receipt and expenditure of “911” fee revenues collected pursuant to this section. All fees placed in said fund, and any interest accrued thereupon, shall be used solely for “911” costs described in

subparagraph 6. The money collected and interest earned in this fund shall be appropriated for "911" purposes by the county commissioners and incorporated into the annual county budget. Such fund shall be included within the financial audit performed ~~The county shall annually have a financial audit performed on this fund,~~ in accordance with s. ~~218.39~~ 44.45. A report of the audit shall be forwarded to the department within 60 days of its completion. A county may carry forward on an annual basis unspent moneys in the fund for expenditures allowed by this section, or it may reduce its fee. However, in no event shall a county carry forward more than 10 percent of the "911" fee billed for the prior year. The amount of moneys carried forward each year may be accumulated in order to allow for capital improvements described in this subsection. The carryover shall be documented by resolution of the board of county commissioners expressing the purpose of the carryover or by an adopted capital improvement program identifying projected expansion or replacement expenditures for "911" equipment and service features, or both. In no event shall the "911" fee carryover surplus moneys be used for any purpose other than for the "911" equipment, service features, and installation charges authorized in subparagraph 6. Nothing in this section shall prohibit a county from using other sources of revenue for improvements, replacements, or expansions of its "911" system. A county may increase its fee for purposes authorized in this section. However, in no case shall the fee exceed 50 cents per month per line. All current "911" fees shall be reported to the department within 30 days of the start of each county's fiscal period. Any fee adjustment made by a county shall be reported to the department. A county shall give the telephone company a 90-day written notice of such fee adjustment.

4. The telephone company shall have no obligation to take any legal action to enforce collection of the "911" fee. The telephone company shall provide quarterly to the county a list of the names, addresses, and telephone numbers of any and all subscribers who have identified to the telephone company their refusal to pay the "911" fee.

5. The county subscribing to "911" service shall remain liable to the telephone company for any "911" service, equipment, operation, or maintenance charge owed by the county to the telephone company.

As used in this paragraph, "telephone company" means an exchange telephone service provider of "911" service or equipment to any county within its certificated area.

6. It is the intent of the Legislature that the "911" fee authorized by this section to be imposed by counties will not necessarily provide the total funding required for establishing or providing the "911" service. For purposes of this section, "911" service includes the functions of database management, call taking, location verification, and call transfer. The following costs directly attributable to the establishment and/or provision of "911" service are eligible for expenditure of moneys derived from imposition of the "911" fee authorized by this section: the acquisition, implementation, and maintenance of Public Safety Answering Point (PSAP) equipment and "911" service features, as defined in the Florida Public Service Commission's lawfully approved "911" and related tariffs and/or the acquisition, installation,



and maintenance of other "911" equipment, including call answering equipment, call transfer equipment, ANI controllers, ALI controllers, ANI displays, ALI displays, station instruments, "911" telecommunications systems, teleprinters, logging recorders, instant playback recorders, telephone devices for the deaf (TDD) used in the "911" system, PSAP backup power systems, consoles, automatic call distributors, and interfaces (hardware and software) for computer-aided dispatch (CAD) systems; salary and associated expenses for "911" call takers for that portion of their time spent taking and transferring "911" calls; salary and associated expenses for a county to employ a full-time equivalent "911" coordinator position and a full-time equivalent staff assistant position per county for the portion of their time spent administrating the "911" system; training costs for PSAP call takers in the proper methods and techniques used in taking and transferring "911" calls; and expenses required to develop and maintain all information (ALI and ANI databases and other information source repositories) necessary to properly inform call takers as to location address, type of emergency, and other information directly relevant to the "911" call-taking and transferring function. The "911" fee revenues shall not be used to pay for any item not listed, including, but not limited to, any capital or operational costs for emergency responses which occur after the call transfer to the responding public safety entity and the costs for constructing buildings, leasing buildings, maintaining buildings, or renovating buildings, except for those building modifications necessary to maintain the security and environmental integrity of the PSAP and "911" equipment rooms.

7. It is the goal of the Legislature that enhanced "911" service be available throughout the state. Expenditure by counties of the "911" fees authorized by this section should support this goal to the greatest extent feasible within the context of local service needs and fiscal capability. Nothing in this section shall be construed to prohibit two or more counties from establishing a combined emergency "911" telephone service by interlocal agreement and utilizing the "911" fees authorized by this section for such combined "911" service.

Section 107. Subsection (3) of section 372.0215, Florida Statutes, is amended to read:

372.0215 Citizen support organizations; use of state property; audit.—

(3) Each citizen support organization shall provide for an annual financial audit in accordance with s. 215.98 of its financial records and accounts by an independent certified public accountant. ~~A citizen support organization shall submit its annual audit report to the commission for review. The commission shall submit the audit report to the Auditor General. The commission and the Auditor General may obtain additional data relative to the operation of a citizen support organization from the citizen support organization or from its independent auditor.~~ The identity of a donor or prospective donor to a citizen support organization who desires to remain anonymous and all information identifying such donor or prospective donor are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Such anonymity shall be maintained in the auditor's report.

Section 108. Subsection (3) of section 373.45926, Florida Statutes, is amended to read:

373.45926 Everglades Trust Fund; allocation of revenues and expenditure of funds for conservation and protection of natural resources and abatement of water pollution.—

(3) The South Florida Water Management District shall furnish, on a quarterly basis, a detailed copy of its expenditures from the Everglades Trust Fund to the Governor, the President of the Senate, and the Speaker of the House of Representatives, and shall make copies available to the public. The information shall be provided in a format approved by the Joint Legislative Committee on Everglades Oversight. At the direction of the Joint Legislative Committee on Everglades Oversight, an audit ~~a postaudit~~ may be made from time to time by the Auditor General, and such audit shall be within the authority of said Auditor General, to make.

Section 109. Section 373.507, Florida Statutes, is amended to read:

373.507 Districts and basins; audits ~~postaudits~~, budgets.—

(1) Each basin referred to in this chapter must furnish a detailed copy of its budget and past year's expenditures to the Governor, the Legislature, and the governing body of each county in which the basin has jurisdiction or derives any funds for the operations of the basin.

~~(2) Each district and basin referred to in this chapter must make provision for an annual postaudit of its financial accounts. The postaudit must be made in accordance with the rules of the Auditor General adopted under ss. 11.47 and 166.241.~~

~~(2)~~(3)(a) Each district referred to in this chapter must furnish copies of the following documents to the Governor, the President of the Senate, the Speaker of the House of Representatives, the chairs of all legislative committees and subcommittees with substantive or fiscal jurisdiction over districts, as determined by the President or Speaker as applicable, the secretary of the department, and the governing body of each county in which the district has jurisdiction or derives any funds for the operations of the district:

1. The tentative budget.
2. The adopted budget.
3. The past year's expenditures.
4. The audit report required ~~postaudit described in s. 218.39 subsection (2).~~

(b) The documents must be furnished by the earlier of 10 days following completion of each document or as otherwise provided by law.

(c) If any entity in paragraph (a) provides written comments to the district regarding any document furnished, the district must respond to the

comments in writing and furnish copies of the comments and written responses to the other entities.

(d) The audit report required in s. 218.39 shall be furnished to the governing board of the district and the clerks of the circuit courts of each county within or partly within the district.

Section 110. Subsection (9) of section 402.73, Florida Statutes, is amended to read:

402.73 Contracting and performance standards.—

(9) The department must implement systems and controls to ensure financial integrity and service provision quality in the developmental services Medicaid waiver service system. ~~The Auditor General shall include specific reference to systems and controls related to financial integrity in the developmental services Medicaid waiver service system in his or her audit of the department for each fiscal year.~~

Section 111. Subsection (8) of section 403.1826, Florida Statutes, is amended to read:

403.1826 Grants, requirements for eligibility.—

(8) Any local governmental agency receiving assistance under ss. 403.1821-403.1832 shall keep such records as the department prescribes, including records which fully disclose the amount and disposition by the recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with such assistance given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. The department, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the recipient that are pertinent to grants received under ss. 403.1821-403.1832. Upon project completion, the local governmental agency shall submit to the department a separate audit, by an independent certified public accountant, of the grant expenditures.

Section 112. Paragraph (d) of subsection (11) of section 403.8532, Florida Statutes, is amended to read:

403.8532 Drinking water state revolving loan fund; use; rules.—

(11) Prior to approval of a loan, the local government or public water system shall, at a minimum:

(d) Provide assurance that records will be kept using generally accepted ~~government~~ accounting principles standards and that the department or its agents and the Auditor General, ~~or their agents~~ will have access to all records pertaining to the loan.

Section 113. Subsection (2) of section 403.864, Florida Statutes, is amended to read:

403.864 Public water supply accounting program.—

(2) In furtherance of this intent, the Department of Health and, the department, ~~and the Auditor General~~ shall jointly develop an accounting program for use by the department and the Department of Health and its units, including the county health departments, to determine the funds, overhead, personnel, and property used by each of the departments in conducting its respective public water supply functions and responsibilities for each fiscal year. The accounting program shall provide information sufficient to satisfy state auditing and federal grant and aid reporting requirements and shall include provisions requiring the Department of Health to:

(a) Segregate, from an accounting standpoint, funds distributed to county health departments for public water supply functions from other county health department trust funds.

(b) Segregate, from an accounting standpoint, funds distributed to the central and branch laboratories of the Department of Health for public water supply functions from other laboratory funds.

(c) Require each county health department, the central and each branch laboratory of the Department of Health, and any other entity of the Department of Health involved in and carrying out public water supply functions to account to the Department of Health on a semiannual basis for the funds received, from whatever source, and used for public water supply functions.

(d) Require each county health department, the central and each branch laboratory of the Department of Health, and any other entity of the Department of Health involved in carrying out public water supply functions either wholly or partially with funds, either federal or state, received from the department through an interagency agreement or other means to account to the department on a semiannual basis for such funds received and used for public water supply functions.

Section 114. Paragraph (m) of subsection (4) of section 411.01, Florida Statutes, is amended to read:

411.01 Florida Partnership for School Readiness; school readiness coalitions.—

(4) FLORIDA PARTNERSHIP FOR SCHOOL READINESS.—

(m) The Florida Partnership for School Readiness shall have a budget, and shall be financed through an annual appropriation made for this purpose in the General Appropriations Act, ~~and shall be subject to compliance audits and annual financial audits by the Auditor General.~~

To ensure that the system for measuring school readiness is comprehensive and appropriate statewide, as the system is developed and implemented, the partnership must consult with representatives of district school systems,

providers of public and private child care, health care providers, large and small employers, experts in education for children with disabilities, and experts in child development.

Section 115. Subsection (2) of section 411.221, Florida Statutes, is amended to read:

411.221 Prevention and early assistance strategic plan; agency responsibilities.—

(2) The strategic plan and subsequent plan revisions shall incorporate and otherwise utilize, to the fullest extent possible, the evaluation findings and recommendations from intraagency, independent third-party, field projects, and reports issued by the Auditor General or the Office of Program Policy Analysis and Government Accountability evaluations, as well as the recommendations of the State Coordinating Council for School Readiness Programs.

Section 116. Subsection (11) of section 413.615, Florida Statutes, is amended to read:

413.615 Florida Endowment for Vocational Rehabilitation.—

(11) ANNUAL AUDIT.—~~The board shall provide for cause an annual financial audit of the foundation foundation's financial accounts to be conducted by an independent certified public accountant in accordance with s. 215.98 rules adopted by the division. The annual audit report shall be submitted to the Auditor General and to the division for review. The Auditor General and the division are each authorized to require and receive from the foundation, or from its independent auditor, any relevant detail or supplemental data; however, The identities of donors and prospective donors who desire to remain anonymous shall be protected, and that anonymity shall be maintained in the auditor's report.~~

Section 117. Subsection (1) of section 413.87, Florida Statutes, is amended to read:

413.87 Annual audit.—

(1) The corporation shall provide make provision for an annual financial audit in accordance with s. 215.98 ~~postaudit of its financial accounts to be conducted by an independent certified public accountant~~. The annual audit report is due before December 1 of each year, ~~must include a management letter, and must be submitted to the commission, the Auditor General, and the Office of Program Policy Analysis and Government Accountability for review. The Office of Program Policy Analysis and Government Accountability, the commission, and the Auditor General have the authority to require and receive from the corporation or from its independent auditor any detail or supplemental data relative to the operation of the corporation. The corporation shall annually certify whether the corporation is operating in a manner that is consistent with, and achieving objectives that are consistent with, the policies and goals of the commission and the plan.~~

Section 118. Section 413.88, Florida Statutes, is amended to read:

413.88 Annual report of the Occupational Access and Opportunity Commission; audits.—

(1) Before January 1 of each year, the commission shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a complete and detailed report setting forth for itself and its designated administrative entity:

(1)(a) Its operations and accomplishments during the fiscal year.

(2)(b) Its business and operational plan.

(3)(c) The assets and liabilities of the designated administrative entity at the end of its most recent fiscal year.

(4)(d) A copy of the annual financial ~~and compliance~~ audit.

~~(2) The Auditor General may, pursuant to his or her own authority or at the direction of the Legislative Auditing Committee, conduct an audit of the commission or its designated administrative entity.~~

Section 119. Subsection (12) and paragraph (b) of subsection (13) of section 446.609, Florida Statutes, are amended to read:

446.609 Jobs for Florida's Graduates Act.—

(12) ANNUAL AUDIT.—~~The board shall provide for cause an annual financial audit of the foundation foundation's financial accounts to be conducted by an independent certified public accountant in accordance with s. 215.98 rules adopted by the department. The annual audit report shall be submitted to the Auditor General and the department for review. The Auditor General and the department may require and receive from the foundation, or from its independent auditor, any relevant detail or supplemental data.~~

(13) ASSESSMENT OF PROGRAM RESULTS.—The success of the Jobs for Florida's Graduates Program shall be assessed as follows:

(b) Beginning in the first year of the Jobs for Florida's Graduates Program, the ~~Office Division~~ of Economic and Demographic Research ~~of the Joint Legislative Management Committee~~ shall undertake, during the initial phase, an ongoing longitudinal study of participants to determine the overall efficacy of the program. The division shall transmit its findings each year to the Office of Program Policy Analysis and Government Accountability for inclusion in the report provided for in paragraph (a).

Section 120. Subsection (9) of section 455.32, Florida Statutes, is amended to read:

455.32 Management Privatization Act.—

(9) The corporation shall provide for an annual financial ~~and compliance~~ audit of its financial accounts and records by an independent certified public

~~accountant in accordance with generally accepted auditing standards. The annual audit report shall include a management letter in accordance with s. 11.45 and a detailed supplemental schedule of expenditures for each expenditure category and a management letter. The annual audit report must be submitted to the board, the department, and the Auditor General for review. The Auditor General may, pursuant to his or her authority or at the direction of the Legislative Auditing Committee, conduct an audit of the corporation.~~

Section 121. Paragraph (j) of subsection (3) of section 471.038, Florida Statutes, is amended to read:

471.038 Florida Engineers Management Corporation.—

(3) The Florida Engineers Management Corporation is created to provide administrative, investigative, and prosecutorial services to the board in accordance with the provisions of chapter 455 and this chapter. The management corporation may hire staff as necessary to carry out its functions. Such staff are not public employees for the purposes of chapter 110 or chapter 112, except that the board of directors and the staff are subject to the provisions of s. 112.061. The provisions of s. 768.28 apply to the management corporation, which is deemed to be a corporation primarily acting as an instrumentality of the state, but which is not an agency within the meaning of s. 20.03(11). The management corporation shall:

(j) Provide for an annual financial ~~and compliance~~ audit of its financial accounts and records by an independent certified public accountant ~~in accordance with generally accepted auditing standards. The annual audit report shall include a management letter in accordance with s. 11.45 and a detailed supplemental schedule of expenditures for each expenditure category and a management letter. The annual audit report must be submitted to the board, the department, and the Auditor General for review. The Auditor General may, pursuant to his or her own authority or at the direction of the Legislative Auditing Committee, conduct an audit of the corporation.~~

Section 122. Paragraph (c) of subsection (2) of section 550.125, Florida Statutes, is amended to read:

550.125 Uniform reporting system; bond requirement.—

(2)

(c) The Auditor General and the Office of Program Policy Analysis and Government Accountability may, pursuant to their own authority or at the direction of the Legislative Auditing Committee, audit, examine, and check the books and records of any permitholder and, upon the request of the division, shall do so. These audit reports shall become part of, and be maintained in, the division files.

Section 123. Subsections (1) and (3) of section 570.903, Florida Statutes, are amended to read:

## 570.903 Direct-support organization.—

(1) When the Legislature authorizes the establishment of a direct-support organization to provide assistance for the museums, the Florida Agriculture in the Classroom Program, the Florida State Collection of Arthropods, the Friends of the Florida State Forests Program of the Division of Forestry, and the Forestry Arson Alert Program, and other programs of the department, ~~in addition to any specific provisions elsewhere stated,~~ the following provisions shall govern the creation, use, powers, and duties of the direct-support organization.

(a) The department shall enter into a memorandum or letter of agreement with the direct-support organization, which shall specify the approval of the department, the powers and duties of the direct-support organization, and rules with which the direct-support organization shall comply.

(b) The department may permit, without charge, appropriate use of property, facilities, and personnel of the department by a direct-support organization, subject to the provisions of ss. 570.902 and 570.903. The use shall be directly in keeping with the approved purposes of the direct-support organization and shall not be made at times or places that would unreasonably interfere with opportunities for the general public to use department facilities for established purposes.

(c) The department shall prescribe by contract or by rule conditions with which a direct-support organization shall comply in order to use property, facilities, or personnel of the department or museum. Such rules shall provide for budget and audit review and oversight by the department.

(d) The department shall not permit the use of property, facilities, or personnel of the museum, department, or designated program by a direct-support organization which does not provide equal employment opportunities to all persons regardless of race, color, religion, sex, age, or national origin.

~~(3)(a) The direct-support organization shall provide make provisions for an annual financial audit of its financial accounts to be conducted by an independent certified public accountant in accordance with s. 215.98 generally accepted accounting principles; provided that a direct-support organization having less than \$25,000 in total assets may be audited by the department. The annual audit report shall be submitted to the Auditor General and to the department for review within 2 months after the end of the direct-support organization's fiscal year.~~

~~(b) If the direct-support organization fails to submit the audit report at the appropriate time, the Auditor General may, pursuant to her or his own authority, conduct the audit, or the Auditor General shall conduct the audit at the direction of the Joint Legislative Auditing Committee, or the department shall engage an independent certified public accountant to conduct the audit. The direct-support organization shall pay for the entire costs of the audit.~~



~~(c) The Auditor General and the department shall have the authority to require and receive from the organization or from its independent auditor any detail or supplemental data relative to the operation of the direct-support organization.~~

Section 124. Paragraph (d) of subsection (10) of section 601.15, Florida Statutes, is amended to read:

601.15 Advertising campaign; methods of conducting; excise tax; emergency reserve fund; citrus research.—

(10) The powers and duties of the Department of Citrus include the following:

(d) To keep books, records, and accounts of all of its activities ~~doings~~, which books, records, and accounts shall be open to inspection, and audit, and examination by the Auditor General and the Office of Program Policy Analysis and Government Accountability at all times.

Section 125. Subsection (2) of section 616.263, Florida Statutes, is amended to read:

616.263 Annual reports ~~and audit~~ of authority.—

(2) The authority shall at all times maintain proper accounting systems and procedures and shall be subject to audit ~~annual auditing~~ by the Auditor General ~~as provided in s. 11.45.~~

Section 126. Subsection (4) of section 657.008, Florida Statutes, is amended to read:

657.008 Place of doing business.—

(4) Any credit union organized under this state or federal law, the members of which are presently, or were at the time of admission into the credit union, employees of the state or a political subdivision or municipality thereof, or members of the immediate families of such employees, may apply for space in any building owned or leased by the state or respective political subdivision or municipality in the community or district in which the credit union does business. The application shall be addressed to the officer charged with the allotment of space in such building. If space is available, the officer may allot space to the credit union at a reasonable charge for rent or services. If the governing body having jurisdiction over the building determines that the services rendered by the credit union to the employees of the governing body are equivalent to a reasonable charge for rent or services, available space may be allotted to the credit union without charge for rent or services. ~~The officer charged with the allotment of space in such building shall report annually the terms and conditions of such use of space to the Auditor General.~~

Section 127. Subsection (5) of section 744.708, Florida Statutes, is amended to read:

## 744.708 Reports and standards.—

(5) An independent audit by a qualified certified public accountant shall be performed at least every 2 years. The audit should include an investigation into the practices of the office for managing the person and property of the wards. A copy of the report shall be submitted to the Statewide Public Guardianship Office. In addition, the office of public guardian shall be subject to audits or examinations by the Auditor General and the Office of Program Policy Analysis and Government Accountability pursuant to law s. 11.45.

Section 128. Subsection (3) of section 943.25, Florida Statutes, is amended to read:

## 943.25 Criminal justice trust funds; source of funds; use of funds.—

(3) The Auditor General is directed in her or his ~~financial~~ audit of courts to ascertain that such assessments have been collected and remitted and shall report to the Legislature ~~annually~~. All such records of the courts shall be open for her or his inspection. The Auditor General is further directed to conduct ~~financial~~ audits of the expenditures of the trust funds and to report to the Legislature ~~annually~~. Such audits shall be conducted in accordance with s. 11.45.

Section 129. Section 943.2569, Florida Statutes, is amended to read:

943.2569 Annual audits of each center.—Each center shall provide for contract with an independent certified public accountant to conduct annual financial audit and a management letter as defined in s. 11.45 audits of the center. Each audit must comply with the rules of the Auditor General for fiscal audits.

Section 130. Paragraph (c) of subsection (2) of section 944.512, Florida Statutes, is amended to read:

944.512 State lien on proceeds from literary or other type of account of crime for which convicted.—

(2) The proceeds of such account shall be distributed in the following order:

(c) After payments have been made pursuant to paragraph (a) or paragraph (b), an amount equal to pay all court costs in the prosecution of the convicted felon, which shall include, but not be limited to, jury fees and expenses, court reporter fees, and reasonable per diem for the prosecuting attorneys for the state, shall go to the General Revenue Fund. Additional costs shall be assessed for the computed per capita cost of imprisonment or supervision by the state or county correctional system. Such costs shall be determined and certified by the prosecuting attorney and the imprisoning entity and subject to review by the Auditor General.

Section 131. Subsection (3) of section 944.719, Florida Statutes, is amended to read:

944.719 Adoption of rules, monitoring, and reporting.—

(3) The private vendor shall provide a work area at the private correctional facility for use by the contract monitor appointed by the department and shall provide the monitor with access to all data, reports, and other materials that the monitor, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability determine are necessary to carry out monitoring and auditing responsibilities.

Section 132. Subsection (3) of section 944.802, Florida Statutes, is amended to read:

944.802 Direct-support organization; definition; use of property; board of directors; audit.—

(3) ANNUAL AUDIT.—~~The direct-support organization shall provide make provision for an any annual financial audit postaudit of its financial accounts to be conducted by an independent certified public accountant in accordance with s. 215.98 rules to be promulgated by the Department of Corrections. The annual audit report shall include a management letter and shall be submitted to the Auditor General and the Department of Corrections for review. The Department of Corrections and the Auditor General have the authority to require and receive from the organization or from its independent auditor any detail or supplemental data relative to the operation of the organization.~~

Section 133. Section 946.31, Florida Statutes, is amended to read:

946.31 Sources of fund.—~~If any general service operation of an institution is transferred to the work program operation by the Department of Corrections, all assets and liabilities of such operation shall become a part of the Correctional Work Program Trust Fund. All income, receipts, earnings, and profits from work programs operated by the department shall be credited to the Correctional Work Program Trust Fund, to be used for the purposes set forth; however, if the earned surplus in the fund at the end of any fiscal year exceeds \$5 million, one-half of such amount as is determined by the Auditor General to be in excess of this amount shall be deposited in the General Revenue Fund, and the other half shall be used by the department for the expansion and improvement of inmate work programs.~~

Section 134. Subsection (3) of section 948.15, Florida Statutes, is amended to read:

948.15 Misdemeanor probation services.—

(3) Any private entity providing services for the supervision of misdemeanor probationers must contract with the county in which the services are to be rendered. In a county with a population of less than 70,000, the county court judge, or the administrative judge of the county court in a county that has more than one county court judge, must approve the contract. Terms of the contract must state, but are not limited to:

(a) The extent of the services to be rendered by the entity providing supervision or rehabilitation.

(b) Staff qualifications and criminal record checks of staff in accordance with essential standards established by the American Correctional Association as of January 1, 1991.

(c) Staffing levels.

(d) The number of face-to-face contacts with the offender.

(e) Procedures for handling the collection of all offender fees and restitution.

(f) Procedures for handling indigent offenders which ensure placement irrespective of ability to pay.

(g) Circumstances under which revocation of an offender's probation may be recommended.

(h) Reporting and recordkeeping requirements.

(i) Default and contract termination procedures.

(j) Procedures that aid offenders with job assistance.

In addition, the entity shall supply the chief judge's office with a quarterly report summarizing the number of offenders supervised by the private entity, payment of the required contribution under supervision or rehabilitation, and the number of offenders for whom supervision or rehabilitation will be terminated. All records of the entity must be open to inspection upon the request of the county, the court, the Auditor General, the Office of Program Policy Analysis and Government Accountability, or agents thereof.

Section 135. Section 957.07, Florida Statutes, is amended to read:

957.07 Cost-saving requirements.—The commission may not enter into a contract or series of contracts unless the commission determines that the contract or series of contracts in total for the facility will result in a cost savings to the state of at least 7 percent over the public provision of a similar facility. Such cost savings as determined by the commission must be based upon the actual costs associated with the construction and operation of similar facilities or services as determined by the Department of Corrections and certified to the commission by the Auditor General. ~~In certifying the actual costs for the determination of the cost savings required by this section,~~ The Department of Corrections Auditor General shall calculate all of the cost components that determine the inmate per diem in correctional facilities of a substantially similar size, type, and location that are operated by the department, including all administrative costs associated with central administration. Services that are provided to the department by other governmental agencies at no direct cost to the department shall be assigned an equivalent cost and included in the per diem. Reasonable projections of payments of any kind to the state or any political subdivision thereof for which the private entity would be liable because of its status as private rather than a public entity, including, but not limited to, corporate income and sales tax payments, shall be included as cost savings in all such determi-

nations. In addition, the costs associated with the appointment and activities of each contract monitor shall be included in such determination. In counties where the Department of Corrections pays its employees a competitive area differential, the cost for the public provision of a similar correctional facility may include the competitive area differential paid by the department. The Department of Corrections Auditor General shall provide a report detailing the state cost to design, finance, acquire, lease, construct, and operate a facility similar to the private correctional facility on a per diem basis. This report shall be provided to the Auditor General ~~commission~~ in sufficient time that it may be certified to the commission to be included in the request for proposals.

Section 136. Section 957.11, Florida Statutes, is amended to read:

957.11 Evaluation of costs and benefits of contracts.—The Office of Program Policy Analysis and Government Accountability Auditor General shall develop and implement an evaluation of the costs and benefits of each contract entered into under this chapter. This evaluation must include a comparison of the costs and benefits of constructing and operating prisons by the state versus by private contractors. The Office of Program Policy Analysis and Government Accountability Auditor General shall also evaluate the performance of the private contractor at the end of the term of each management contract and make recommendations to the Speaker of the House of Representatives and the President of the Senate on whether to continue the contract.

Section 137. Subsection (4) of section 960.002, Florida Statutes, is amended to read:

960.002 Direct-support organization to assist victims of adult and juvenile crime.—

(4) The direct-support organization shall provide make provisions for an annual financial and compliance audit of its financial accounts and records ~~by an independent certified public accountant in accordance with s. 215.98 rules established by the Governor. The annual audit report shall be submitted to the Governor for review and approval. Upon approval, the Governor shall certify the audit report to the Auditor General for review and approval.~~

Section 138. Paragraph (a) of subsection (1) of section 985.311, Florida Statutes, is amended to read:

985.311 Intensive residential treatment program for offenders less than 13 years of age.—

(1) ASSESSMENT AND TREATMENT SERVICES.—Pursuant to the provisions of this chapter and the establishment of appropriate program guidelines and standards, contractual instruments, which shall include safeguards of all constitutional rights, shall be developed for intensive residential treatment programs for offenders less than 13 years of age as follows:

(a) The department shall provide for:

1. The oversight of implementation of assessment and treatment approaches.
2. The identification and prequalification of appropriate individuals or not-for-profit organizations, including minority individuals or organizations when possible, to provide assessment and treatment services to intensive offenders less than 13 years of age.
3. The monitoring and evaluation of assessment and treatment services for compliance with the provisions of this chapter and all applicable rules and guidelines pursuant thereto.
4. The development of an annual report on the performance of assessment and treatment to be presented to the Governor, the Attorney General, the President of the Senate, the Speaker of the House of Representatives, and the Auditor General, and the Office of Program Policy Analysis and Government Accountability no later than January 1 of each year.

Section 139. Subsection (6) of section 985.4145, Florida Statutes, is amended to read:

985.4145 Direct-support organization; definition; use of property; board of directors; audit.—

~~(6) The direct-support organization shall provide for an annual financial audit and compliance postaudit of its financial accounts and records by an independent certified public accountant in accordance with s. 215.98 rules of the Auditor General. The annual audit report must include a management letter and must be submitted to the Auditor General and the department for review. The department and the Auditor General may require and receive from the direct-support organization, or from its independent auditor, any detail or supplemental data relative to the operation of the organization.~~

Section 140. Subsection (3) of section 985.416, Florida Statutes, is amended to read:

985.416 Innovation zones.—The department shall encourage each of the juvenile justice circuit boards to propose at least one innovation zone within the circuit for the purpose of implementing any experimental, pilot, or demonstration project that furthers the legislatively established goals of the department. An innovation zone is a defined geographic area such as a circuit, commitment region, county, municipality, service delivery area, school campus, or neighborhood providing a laboratory for the research, development, and testing of the applicability and efficacy of model programs, policy options, and new technologies for the department.

(3) Before implementing an innovation zone under this subsection, the secretary shall, in conjunction with the Office of Program Policy Analysis and Government Accountability ~~Auditor General~~, develop measurable and valid objectives for such zone within a negotiated reasonable period of time. Moneys designated for an innovation zone in one operating circuit may not be used to fund an innovation zone in another operating circuit.

Section 141. Sections 11.149 and 11.46; paragraph (e) of subsection (2) of section 125.901; paragraph (l) of subsection (2) of section 215.56005; section 216.2815; subsection (23) of section 218.415; subsection (11) of section 228.053; subsection (6) of section 228.082; subsection (3) of section 253.037; section 265.607; subsection (2) of section 288.906; sections 288.9616 and 298.65; subsection (3) of section 331.419; sections 339.413, 348.69, and 373.589; subsection (3) of section 374.987; subsection (8) of section 380.510; sections 388.331 and 400.335; subsection (14) of section 403.1837; paragraph (i) of subsection (14) of section 440.49; subsection (14) of section 517.1204; and sections 570.912, 581.195, 589.013, and 590.612, Florida Statutes, are repealed.

Section 142. Subsection (2) of section 189.4042, Florida Statutes, is amended to read:

189.4042 Merger and dissolution procedures.—

(2) The merger or dissolution of an independent special district or a dependent district created and operating pursuant to a special act may only be effectuated by the Legislature unless otherwise provided by general law. If an inactive independent district was created by a county or municipality through a referendum, the county or municipality that created the district may ~~merge or dissolve the district after publishing notice as described in s. 189.4044.~~ If an independent district was created by a county or municipality by referendum or any other procedure, the county or municipality that created the district may merge or dissolve the district pursuant to the same procedure by which the independent district was created.; However, for any such independent district that has ad valorem taxation powers, the same procedure required to grant such independent district ad valorem taxation powers shall also be required to dissolve or merge the district.

Section 143. Paragraph (b) of subsection (1) of section 189.4044, Florida Statutes, is amended to read:

189.4044 Special procedures for inactive districts.—

(1) The department shall declare inactive any special district in this state by filing a report with the Speaker of the House of Representatives and the President of the Senate which shows that such special district is no longer active. The inactive status of the special district must be based upon a finding:

(b) That a notice of the proposed declaration has been published once a week for 2 4 weeks in a newspaper of general circulation within the county or municipality wherein the territory of the special district is located, stating the name of said special district, the law under which it was organized and operating, a general description of the territory included in said special district, and stating that any objections to the proposed declaration or to any claims against the assets of said special district shall be filed not later than 60 days following the date of last publication with the department; and

Section 144. Section 189.418, Florida Statutes, is amended to read:

189.418 Reports; budgets; audits.—

(1) When a new special district is created, the district must forward to the department, within 30 days after the adoption of the special act, rule, ordinance, resolution, or other document that provides for the creation of the district, a copy of the document. In addition to the document or documents that create the district, the district must also submit a map of the district, showing any municipal boundaries that cross the district's boundaries, and any county lines if the district is located in more than one county. The department must notify the local government or other entity and the district within 30 days after receipt of the document or documents that create the district as to whether the district has been determined to be dependent or independent.

(2) Any amendment, modification, or update of the document by which the district was created, including changes in boundaries, must be filed with the department within 30 days after adoption. The department may initiate proceedings against special districts as provided in ss. 189.421 and 189.422 for failure to file the information required by this subsection.

(3) The governing body of each special district shall adopt a budget by resolution each fiscal year. The total amount available from taxation and other sources, including amounts carried over from prior fiscal years, must equal the total of appropriations for expenditures and reserves. The adopted budget must regulate expenditures of the special district, and it is unlawful for any officer of a special district to expend or contract for expenditures in any fiscal year except in pursuance of budgeted appropriations.

(4) The proposed budget of a dependent special district shall be presented in accordance with generally accepted accounting principles, contained within the general budget of the local governing authority, and be clearly stated as the budget of the dependent district. However, with the concurrence of the local governing authority, a dependent district may be budgeted separately.

(5) A local governing authority may, in its discretion, review the budget or tax levy of any special district located solely within its boundaries.

~~(3) Each special district shall file with the local general-purpose governing authority or authorities within the geographic boundaries of the district a copy of:~~

~~(a) The reports required by ss. 218.32 and 218.34;~~

~~(b) A complete description of all new bonds as provided in s. 218.38(1); and~~

~~(c) A map of the district and any subsequent boundary changes.~~

~~(4) Each special district shall make provisions for an annual independent postaudit of its financial records as provided in s. 11.45. A copy of the audit shall be filed with the local governing authority or authorities.~~



(6)(5) All reports or information required to be filed with a local governing authority under ss. ~~11.45~~, 189.416, 189.417, 218.32, and 218.39 ~~218.34~~ and this section shall:

(a) When the local governing authority is a county, be filed with the clerk of the board of county commissioners.

(b) When the district is a multicounty district, be filed with the clerk of the county commission in each county.

(c) When the local governing authority is a municipality, be filed at the place designated by the municipal governing body.

Section 145. Section 189.419, Florida Statutes, is amended to read:

189.419 Effect of failure to file certain reports or information.—

(1) If a special district fails to file the reports or information required under ~~s. 11.45~~ s. 189.415, s. 189.416, s. 189.417, s. 189.418, s. 218.32, or ~~s. 218.39~~ ~~s. 218.34~~ and a description of all new bonds as provided in s. 218.38(1) with the local governing authority, the person authorized to receive and read the reports or information shall notify the district's registered agent and the appropriate local governing authority or authorities. At any time, the governing authority may grant an extension of time for filing the required reports or information, except that an extension may not exceed 30 days.

(2) If at any time the local governing authority or authorities or the board of county commissioners determines that there has been an unjustified failure to file the reports or information described in subsection (1), it may petition the department to initiate proceedings against the special district in the manner provided in s. 189.421.

(3) If a special district fails to file the reports or information required under ~~s. 11.45~~, s. 218.32, ~~s. 218.34~~, ~~or s. 218.38~~, or s. 218.39 with the appropriate state agency, the agency shall notify the department, and the department may initiate proceedings against the special district in the manner provided in s. 189.421 or assess fines of not more than \$25, with an aggregate total not to exceed \$50, when formal inquiries do not resolve the noncompliance.

Section 146. Section 189.429, Florida Statutes, is amended to read:

189.429 Codification.—

(1) Each district, by December 1, 2004, shall submit to the Legislature a draft codified charter, at its expense, so that its special acts may be codified into a single act for reenactment by the Legislature, if there is more than one special act for the district. The Legislature may adopt a schedule for individual district codification. Any codified act relating to a district, which act is submitted to the Legislature for reenactment, shall provide for the repeal of all prior special acts of the Legislature relating to the district. The codified act shall be filed with the department pursuant to s. 189.418(2).

(2) The reenactment of existing law under this section shall not be construed as a grant of additional authority nor to supersede the authority of any entity pursuant to law. Exceptions to law contained in any special act that are reenacted pursuant to this section shall continue to apply.

(3) The reenactment of existing law under this section shall not be construed to modify, amend, or alter any covenants, contracts, or other obligations of any district with respect to bonded indebtedness. Nothing pertaining to the reenactment of existing law under this section shall be construed to affect the ability of any district to levy and collect taxes, assessments, fees, or charges for the purpose of redeeming or servicing bonded indebtedness of the district.

Section 147. Paragraph (h) of subsection (1) of section 121.055, Florida Statutes, is amended to read:

121.055 Senior Management Service Class.—There is hereby established a separate class of membership within the Florida Retirement System to be known as the “Senior Management Service Class,” which shall become effective February 1, 1987.

(1)

(h)1. Except as provided in subparagraph 3., effective January 1, 1994, participation in the Senior Management Service Class shall be compulsory for the State Courts Administrator and the Deputy State Courts Administrators, the Clerk of the Supreme Court, the Marshal of the Supreme Court, the Executive Director of the Justice Administrative Commission, the Capital Collateral Regional Counsels, the clerks of the district courts of appeals, the marshals of the district courts of appeals, and the trial court administrator in each judicial circuit. Effective January 1, 1994, additional positions in the offices of the state attorney and public defender in each judicial circuit may be designated for inclusion in the Senior Management Service Class of the Florida Retirement System, provided that:

a. Positions to be included in the class shall be designated by the state attorney or public defender, as appropriate. Notice of intent to designate positions for inclusion in the class shall be published once a week for 2 consecutive weeks in a newspaper of general circulation published in the county or counties affected, as provided in chapter 50.

b. One nonelective full-time position may be designated for each state attorney and public defender reporting to the Department of Management Services; for agencies with 200 or more regularly established positions under the state attorney or public defender, additional nonelective full-time positions may be designated, not to exceed 0.5 percent of the regularly established positions within the agency.

c. Each position added to the class must be a managerial or policymaking position filled by an employee who serves at the pleasure of the state attorney or public defender without civil service protection, and who:

(I) Heads an organizational unit; or

(II) Has responsibility to effect or recommend personnel, budget, expenditure, or policy decisions in his or her areas of responsibility.

2. Participation in this class shall be compulsory, except as provided in subparagraph 3., for any judicial employee who holds a position designated for coverage in the Senior Management Service Class, and such participation shall continue until the employee terminates employment in a covered position. Effective January 1, 2001, participation in this class is compulsory for assistant state attorneys, assistant statewide prosecutors, assistant public defenders, and assistant capital collateral regional counsels. Effective January 1, 2002, participation in this class is compulsory for assistant attorneys general.

3. In lieu of participation in the Senior Management Service Class, such members, excluding assistant state attorneys, assistant public defenders, assistant statewide prosecutors, assistant attorneys general, and assistant capital collateral regional counsels, may participate in the Senior Management Service Optional Annuity Program as established in subsection (6).

Section 148. The sum of \$93,000 is appropriated from the General Revenue Fund for the 2001-2002 fiscal year for the purpose of paying the costs association with adding assistant attorneys general to the Senior Management Service Class in the Florida Retirement System.

Section 149. Section 218.34, Florida Statutes, is repealed.

Section 150. This act shall take effect July 1, 2001.

Approved by the Governor June 19, 2001.

Filed in Office Secretary of State June 19, 2001.