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1  
 2 An act relating to agency inspectors general; amending  
 3 s. 20.055, F.S.; revising definitions; providing  
 4 additional hiring requirements, employment  
 5 qualifications, and terms of employment for inspectors  
 6 general and staff; establishing the duty of specified  
 7 persons and entities with respect to cooperation with  
 8 an inspector general's official duties; requiring  
 9 contracts and other specified documents to contain a  
 10 statement regarding compliance with an inspector  
 11 general's official duties; amending s. 14.32, F.S.;  
 12 authorizing the Chief Inspector General to retain  
 13 legal counsel and issue and enforce subpoenas under  
 14 certain circumstances; providing an effective date.

15  
 16 Be It Enacted by the Legislature of the State of Florida:

17  
 18 Section 1. Section 20.055, Florida Statutes, is amended to  
 19 read:

20 20.055 Agency inspectors general.—

21 (1) As used in this section, the term:

22 (a) "Agency head" means the Governor, a Cabinet officer,  
 23 or a secretary or executive director as those terms are defined  
 24 in s. 20.03, the chair of the Public Service Commission, the  
 25 Director of the Office of Insurance Regulation of the Financial  
 26 Services Commission, the Director of the Office of Financial

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27 | Regulation of the Financial Services Commission, the board of  
28 | directors of the Florida Housing Finance Corporation, the  
29 | executive director of the Office of Early Learning, and the  
30 | Chief Justice of the State Supreme Court.

31 |       (b) "Entities contracting with the state" means for-profit  
32 | and not-for-profit organizations or businesses that have a legal  
33 | existence, such as corporations or partnerships, as opposed to  
34 | natural persons, which have entered into a relationship with a  
35 | state agency to provide for consideration certain goods or  
36 | services to the state agency or on behalf of the state agency.  
37 | The relationship may be evidenced by payment by warrant or  
38 | purchasing card, contract, purchase order, provider agreement,  
39 | or other such mutually agreed upon relationship. The term does  
40 | not apply to entities that are the subject of audits or  
41 | investigations conducted pursuant to ss. 112.3187-112.31895 or  
42 | s. 409.913 or which are otherwise confidential and exempt under  
43 | s. 119.07.

44 |       (c) "Individuals substantially affected" means natural  
45 | persons who have established a real and sufficiently immediate  
46 | injury in fact due to the findings, conclusions, or  
47 | recommendations of a final report of a state agency inspector  
48 | general, who are the subject of the audit or investigation, and  
49 | who do not have or are not currently afforded an existing right  
50 | to an independent review process. The term does not apply to  
51 | employees of the state, including career service, probationary,  
52 | other personal service, Selected Exempt Service, and Senior

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53 Management Service employees; former employees of the state if  
54 the final report of the state agency inspector general relates  
55 to matters arising during a former employee's term of state  
56 employment; or persons who are the subject of audits or  
57 investigations conducted pursuant to ss. 112.3187-112.31895 or  
58 s. 409.913 or which are otherwise confidential and exempt under  
59 s. 119.07.

60 (d) "State agency" means each department created pursuant  
61 to this chapter and the Executive Office of the Governor, the  
62 Department of Military Affairs, the Fish and Wildlife  
63 Conservation Commission, the Office of Insurance Regulation of  
64 the Financial Services Commission, the Office of Financial  
65 Regulation of the Financial Services Commission, the Public  
66 Service Commission, the Board of Governors of the State  
67 University System, the Florida Housing Finance Corporation, the  
68 Agency for State Technology, the Office of Early Learning, and  
69 the state courts system.

70 (2) An ~~The~~ office of inspector general is established in  
71 each state agency to provide a central point for coordination of  
72 and responsibility for activities that promote accountability,  
73 integrity, and efficiency in government. It is the duty and  
74 responsibility of each inspector general, with respect to the  
75 state agency in which the office is established, to:

76 (a) Advise in the development of performance measures,  
77 standards, and procedures for the evaluation of state agency  
78 programs.

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79 (b) Assess the reliability and validity of the information  
80 provided by the state agency on performance measures and  
81 standards, and make recommendations for improvement, if  
82 necessary, before submission of such information pursuant to s.  
83 216.1827.

84 (c) Review the actions taken by the state agency to  
85 improve program performance and meet program standards and make  
86 recommendations for improvement, if necessary.

87 (d) Provide direction for, supervise, and coordinate  
88 audits, investigations, and management reviews relating to the  
89 programs and operations of the state agency, except that when  
90 the inspector general does not possess the qualifications  
91 specified in subsection (4), the director of auditing shall  
92 conduct such audits.

93 (e) Conduct, supervise, or coordinate other activities  
94 carried out or financed by that state agency for the purpose of  
95 promoting economy and efficiency in the administration of, or  
96 preventing and detecting fraud and abuse in, its programs and  
97 operations.

98 (f) Keep the agency head or, for state agencies under the  
99 jurisdiction of the Governor, the Chief Inspector General  
100 informed concerning fraud, abuses, and deficiencies relating to  
101 programs and operations administered or financed by the state  
102 agency, recommend corrective action concerning fraud, abuses,  
103 and deficiencies, and report on the progress made in  
104 implementing corrective action.

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105 (g) Ensure effective coordination and cooperation between  
 106 the Auditor General, federal auditors, and other governmental  
 107 bodies with a view toward avoiding duplication.

108 (h) Review, as appropriate, rules relating to the programs  
 109 and operations of such state agency and make recommendations  
 110 concerning their impact.

111 (i) Ensure that an appropriate balance is maintained  
 112 between audit, investigative, and other accountability  
 113 activities.

114 (j) Comply with the General Principles and Standards for  
 115 Offices of Inspector General as published and revised by the  
 116 Association of Inspectors General.

117 (3) (a) 1. For state agencies under the jurisdiction of the  
 118 Cabinet or the Governor and Cabinet, the inspector general shall  
 119 be appointed by the agency head. For state agencies under the  
 120 jurisdiction of the Governor, the inspector general shall be  
 121 appointed by the Chief Inspector General. The agency head or  
 122 Chief Inspector General shall notify the Governor in writing of  
 123 his or her intention to hire the inspector general at least 7  
 124 days before an offer of employment. The inspector general shall  
 125 be appointed without regard to political affiliation.

126 2. Within 60 days after a vacancy or anticipated vacancy  
 127 in the position of inspector general, the agency head or, for  
 128 agencies under the jurisdiction of the Governor, the Chief  
 129 Inspector General, shall initiate a national search for an  
 130 inspector general and shall set the salary of the inspector

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131 general. In the event of a vacancy in the position of inspector  
132 general, the agency head or, for agencies under the jurisdiction  
133 of the Governor, the Chief Inspector General, may appoint other  
134 office of inspector general management personnel as interim  
135 inspector general until such time as a successor inspector  
136 general is appointed.

137 3. A former or current elected official may not be  
138 appointed inspector general within 5 years after the end of such  
139 individual's period of service. This restriction does not  
140 prohibit the reappointment of a current inspector general.

141 (b) The inspector general shall report to and be under the  
142 general supervision of the agency head and is not subject to  
143 supervision by any other employee of the state agency in which  
144 the office is established. For state agencies under the  
145 jurisdiction of the Governor, the inspector general shall be  
146 under the general supervision of the agency head for  
147 administrative purposes, shall report to the Chief Inspector  
148 General, and may hire and remove staff within the office of the  
149 inspector general in consultation with the Chief Inspector  
150 General but independently of the agency.

151 (c) For state agencies under the jurisdiction of the  
152 Cabinet or the Governor and Cabinet, the inspector general may  
153 be removed from office by the agency head. For state agencies  
154 under the jurisdiction of the Governor, the inspector general  
155 may only be removed from office by the Chief Inspector General  
156 for cause, including concerns regarding performance,

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157 malfeasance, misfeasance, misconduct, or failure to carry out  
158 his or her duties under this section. The Chief Inspector  
159 General shall notify the Governor in writing of his or her  
160 intention to remove the inspector general at least 21 days  
161 before the removal. For state agencies under the jurisdiction of  
162 the Governor and Cabinet, the agency head shall notify the  
163 Governor and Cabinet in writing of his or her intention to  
164 remove the inspector general at least 21 days before the  
165 removal. If the inspector general disagrees with the removal,  
166 the inspector general may present objections in writing to the  
167 Governor within the 21-day period.

168 (d) The Governor, the Governor and Cabinet, the agency  
169 head, or agency staff may not prevent or prohibit the inspector  
170 general from initiating, carrying out, or completing any audit  
171 or investigation.

172 (4) (a) To ensure that state agency audits are performed in  
173 accordance with applicable auditing standards, the inspector  
174 general or the director of auditing within the inspector  
175 general's office shall possess the following qualifications:

176 1. ~~(a)~~ A bachelor's degree from an accredited college or  
177 university with a major in accounting, or with a major in  
178 business which includes five courses in accounting, and 5 years  
179 of experience as an internal auditor or independent postauditor,  
180 electronic data processing auditor, accountant, or any  
181 combination thereof. The experience shall at a minimum consist  
182 of audits of units of government or private business

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183 enterprises, operating for profit or not for profit; or  
 184 ~~2.(b)~~ A master's degree in accounting, business  
 185 administration, or public administration from an accredited  
 186 college or university and 4 years of experience as required in  
 187 subparagraph 1. paragraph (a); or

188 ~~3.(e)~~ A certified public accountant license issued  
 189 pursuant to chapter 473 or a certified internal audit  
 190 certificate issued by the Institute of Internal Auditors or  
 191 earned by examination, and 4 years of experience as required in  
 192 subparagraph 1. paragraph (a).

193 (b) For agencies under the jurisdiction of the Governor,  
 194 the inspector general shall be selected on the basis of  
 195 integrity, leadership capability, and experience in accounting,  
 196 auditing, financial analysis, law, management analysis, program  
 197 evaluation, public administration, investigation, criminal  
 198 justice administration, or other closely related field. The  
 199 inspector general is subject to a level 2 background screening  
 200 pursuant to chapter 435. The inspector general shall have a 4-  
 201 year degree from an accredited institution of higher learning or  
 202 have at least 5 years of experience in at least one of the  
 203 following areas:

204 1. Inspector general.

205 2. Supervisory experience in an office of inspector  
 206 general or an investigative public agency similar to an office  
 207 of inspector general.

208 3. Local, state, or federal law enforcement officer.



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209       4. Local, state, or federal court judge.  
 210       5. Senior-level auditor or comptroller.  
 211       6. The administration and management of complex audits and  
 212 investigations.  
 213       7. Managing programs for prevention, examination,  
 214 detection, elimination of fraud, waste, abuse, mismanagement,  
 215 malfeasance, or misconduct in government or other organizations.  
 216  
 217 An advanced degree in law, accounting, public administration, or  
 218 other relevant field may substitute for 1 year of required  
 219 experience.  
 220       (c) The inspector general shall possess at appointment, or  
 221 obtain within the first year after appointment, a certification  
 222 from the Association of Inspectors General as a certified  
 223 inspector general. The inspector general must have one or more  
 224 other professional certifications, such as certified inspector  
 225 general investigator, certified inspector general auditor,  
 226 certified public accountant, certified internal auditor,  
 227 certified governmental financial manager, or certified fraud  
 228 examiner, certified financial crimes investigator or other  
 229 related certification, or be a licensed attorney.  
 230       (d) The inspector general may not hold, or be a candidate  
 231 for, an elective office of the state or a municipality, county,  
 232 or other political subdivision of the state while inspector  
 233 general, and a current officer or employee of an office of  
 234 inspector general may not hold, or be a candidate for, an

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235 elective office of the state or a municipality, county, or other  
 236 political subdivision of the state. The inspector general may  
 237 not hold office in a political party or political committee. An  
 238 employee of an office of inspector general may not hold office  
 239 in a political party or political committee while employed in  
 240 the office of inspector general.

241 (5) It is the duty of every state officer, employee,  
 242 agency, special district, board, commission, contractor, and  
 243 subcontractor to cooperate with the inspector general in any  
 244 investigation, audit, inspection, review, or hearing pursuant to  
 245 this section. Beginning July 1, 2015, each contract, bid,  
 246 proposal, and application or solicitation for a contract shall  
 247 contain a statement that the corporation, partnership, or person  
 248 understands and will comply with this subsection.

249 (6)~~(5)~~ In carrying out the auditing duties and  
 250 responsibilities of this act, each inspector general shall  
 251 review and evaluate internal controls necessary to ensure the  
 252 fiscal accountability of the state agency. The inspector general  
 253 shall conduct financial, compliance, electronic data processing,  
 254 and performance audits of the agency and prepare audit reports  
 255 of his or her findings. The scope and assignment of the audits  
 256 shall be determined by the inspector general; however, the  
 257 agency head may at any time request the inspector general to  
 258 perform an audit of a special program, function, or  
 259 organizational unit. The performance of the audit shall be under  
 260 the direction of the inspector general, except that if the

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261 inspector general does not possess the qualifications specified  
262 in subsection (4), the director of auditing shall perform the  
263 functions listed in this subsection.

264 (a) Such audits shall be conducted in accordance with the  
265 current International Standards for the Professional Practice of  
266 Internal Auditing as published by the Institute of Internal  
267 Auditors, Inc., or, where appropriate, in accordance with  
268 generally accepted governmental auditing standards. All audit  
269 reports issued by internal audit staff shall include a statement  
270 that the audit was conducted pursuant to the appropriate  
271 standards.

272 (b) Audit workpapers and reports shall be public records  
273 to the extent that they do not include information which has  
274 been made confidential and exempt from the provisions of s.  
275 119.07(1) pursuant to law. However, when the inspector general  
276 or a member of the staff receives from an individual a complaint  
277 or information that falls within the definition provided in s.  
278 112.3187(5), the name or identity of the individual may not be  
279 disclosed to anyone else without the written consent of the  
280 individual, unless the inspector general determines that such  
281 disclosure is unavoidable during the course of the audit or  
282 investigation.

283 (c) The inspector general and the staff shall have access  
284 to any records, data, and other information of the state agency  
285 he or she deems necessary to carry out his or her duties. The  
286 inspector general may also request such information or

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287 assistance as may be necessary from the state agency or from any  
288 federal, state, or local government entity.

289 (d) At the conclusion of each audit, the inspector general  
290 shall submit preliminary findings and recommendations to the  
291 person responsible for supervision of the program function or  
292 operational unit who shall respond to any adverse findings  
293 within 20 working days after receipt of the preliminary  
294 findings. Such response and the inspector general's rebuttal to  
295 the response shall be included in the final audit report.

296 (e) At the conclusion of an audit in which the subject of  
297 the audit is a specific entity contracting with the state or an  
298 individual substantially affected, if the audit is not  
299 confidential or otherwise exempt from disclosure by law, the  
300 inspector general shall, consistent with s. 119.07(1), submit  
301 the findings to the entity contracting with the state or the  
302 individual substantially affected, who shall be advised in  
303 writing that they may submit a written response within 20  
304 working days after receipt of the findings. The response and the  
305 inspector general's rebuttal to the response, if any, must be  
306 included in the final audit report.

307 (f) The inspector general shall submit the final report to  
308 the agency head, the Auditor General, and, for state agencies  
309 under the jurisdiction of the Governor, the Chief Inspector  
310 General.

311 (g) The Auditor General, in connection with the  
312 independent postaudit of the same agency pursuant to s. 11.45,

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313 shall give appropriate consideration to internal audit reports  
314 and the resolution of findings therein. The Legislative Auditing  
315 Committee may inquire into the reasons or justifications for  
316 failure of the agency head to correct the deficiencies reported  
317 in internal audits that are also reported by the Auditor General  
318 and shall take appropriate action.

319 (h) The inspector general shall monitor the implementation  
320 of the state agency's response to any report on the state agency  
321 issued by the Auditor General or by the Office of Program Policy  
322 Analysis and Government Accountability. No later than 6 months  
323 after the Auditor General or the Office of Program Policy  
324 Analysis and Government Accountability publishes a report on the  
325 state agency, the inspector general shall provide a written  
326 response to the agency head or, for state agencies under the  
327 jurisdiction of the Governor, the Chief Inspector General on the  
328 status of corrective actions taken. The inspector general shall  
329 file a copy of such response with the Legislative Auditing  
330 Committee.

331 (i) The inspector general shall develop long-term and  
332 annual audit plans based on the findings of periodic risk  
333 assessments. The plan, where appropriate, should include  
334 postaudit samplings of payments and accounts. The plan shall  
335 show the individual audits to be conducted during each year and  
336 related resources to be devoted to the respective audits. The  
337 Chief Financial Officer, to assist in fulfilling the  
338 responsibilities for examining, auditing, and settling accounts,

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339 claims, and demands pursuant to s. 17.03(1), and examining,  
 340 auditing, adjusting, and settling accounts pursuant to s. 17.04,  
 341 may use audits performed by the inspectors general and internal  
 342 auditors. For state agencies under the jurisdiction of the  
 343 Governor, the audit plans shall be submitted to the Chief  
 344 Inspector General. The plan shall be submitted to the agency  
 345 head for approval. A copy of the approved plan shall be  
 346 submitted to the Auditor General.

347 (7)~~(6)~~ In carrying out the investigative duties and  
 348 responsibilities specified in this section, each inspector  
 349 general shall initiate, conduct, supervise, and coordinate  
 350 investigations designed to detect, deter, prevent, and eradicate  
 351 fraud, waste, mismanagement, misconduct, and other abuses in  
 352 state government. For these purposes, each inspector general  
 353 shall:

354 (a) Receive complaints and coordinate all activities of  
 355 the agency as required by the Whistle-blower's Act pursuant to  
 356 ss. 112.3187-112.31895.

357 (b) Receive and consider the complaints which do not meet  
 358 the criteria for an investigation under the Whistle-blower's Act  
 359 and conduct, supervise, or coordinate such inquiries,  
 360 investigations, or reviews as the inspector general deems  
 361 appropriate.

362 (c) Report expeditiously to the Department of Law  
 363 Enforcement or other law enforcement agencies, as appropriate,  
 364 whenever the inspector general has reasonable grounds to believe

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365 | there has been a violation of criminal law.

366 |       (d) Conduct investigations and other inquiries free of  
367 | actual or perceived impairment to the independence of the  
368 | inspector general or the inspector general's office. This shall  
369 | include freedom from any interference with investigations and  
370 | timely access to records and other sources of information.

371 |       (e) At the conclusion of each investigation in which the  
372 | subject of the investigation is a specific entity contracting  
373 | with the state or an individual substantially affected as  
374 | defined by this section, and if the investigation is not  
375 | confidential or otherwise exempt from disclosure by law, the  
376 | inspector general shall, consistent with s. 119.07(1), submit  
377 | findings to the subject that is a specific entity contracting  
378 | with the state or an individual substantially affected, who  
379 | shall be advised in writing that they may submit a written  
380 | response within 20 working days after receipt of the findings.  
381 | Such response and the inspector general's rebuttal to the  
382 | response, if any, shall be included in the final investigative  
383 | report.

384 |       (f) Submit in a timely fashion final reports on  
385 | investigations conducted by the inspector general to the agency  
386 | head, except for whistle-blower's investigations, which shall be  
387 | conducted and reported pursuant to s. 112.3189.

388 |       (8)~~(7)~~(a) Except as provided in paragraph (b), each  
389 | inspector general shall, not later than September 30 of each  
390 | year, prepare an annual report summarizing the activities of the

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391 office during the immediately preceding state fiscal year.

392 (b) The inspector general of the Florida Housing Finance  
 393 Corporation shall, not later than 90 days after the end of each  
 394 fiscal year, prepare an annual report summarizing the activities  
 395 of the office of inspector general during the immediately  
 396 preceding fiscal year.

397 (c) The final reports prepared pursuant to paragraphs (a)  
 398 and (b) shall be provided to the heads of the respective  
 399 agencies and, for state agencies under the jurisdiction of the  
 400 Governor, the Chief Inspector General. Such reports shall  
 401 include, but need not be limited to:

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

404 2. A description of significant abuses and deficiencies  
 405 relating to the administration of programs and operations of the  
 406 agency disclosed by investigations, audits, reviews, or other  
 407 activities during the reporting period.

408 3. A description of the recommendations for corrective  
 409 action made by the inspector general during the reporting period  
 410 with respect to significant problems, abuses, or deficiencies  
 411 identified.

412 4. The identification of each significant recommendation  
 413 described in previous annual reports on which corrective action  
 414 has not been completed.

415 5. A summary of each audit and investigation completed  
 416 during the reporting period.



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417 (9)~~(8)~~ The inspector general in each state agency shall  
 418 provide to the agency head, upon receipt, all written complaints  
 419 concerning the duties and responsibilities in this section or  
 420 any allegation of misconduct related to the office of the  
 421 inspector general or its employees, if received from subjects of  
 422 audits or investigations who are individuals substantially  
 423 affected or entities contracting with the state, as defined in  
 424 this section. For state agencies under the jurisdiction of the  
 425 Governor, the inspector general shall also provide the complaint  
 426 to the Chief Inspector General.

427 (10)~~(9)~~ Each agency inspector general shall, to the extent  
 428 both necessary and practicable, include on his or her staff  
 429 individuals with electronic data processing auditing experience.

430 Section 2. Subsection (5) is added to section 14.32,  
 431 Florida Statutes, to read:

432 14.32 Office of Chief Inspector General.—

433 (5) In exercising authority under this section, the Chief  
 434 Inspector General or his or her designee may:

435 (a) Hire or retain legal counsel.

436 (b) Issue and serve subpoenas and subpoenas duces tecum,  
 437 for agencies under the jurisdiction of the Governor, to compel  
 438 the attendance of witnesses and the production of documents,  
 439 reports, answers, records, accounts, and other data in any  
 440 medium.

441 (c) Require or permit a person to file a statement in  
 442 writing, under oath or otherwise, as to all the facts and

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443 circumstances concerning the matter to be audited, examined, or  
444 investigated.

445

446 In the event of noncompliance with a subpoena issued pursuant to  
447 this subsection, the Chief Inspector General may petition the  
448 circuit court of the county in which the person subpoenaed  
449 resides or has his or her principal place of business for an  
450 order requiring the subpoenaed person to appear and testify and  
451 to produce documents, reports, answers, records, accounts, or  
452 other data as specified in the subpoena.

453 Section 3. This act shall take effect July 1, 2015.