

ENGROSSED HOUSE
BILL NO. 2134

BY: WEESE and WEBB of the
HOUSE

and

HENDRICK of the SENATE

(AUDITS - STATE ENTITIES TO SUBMIT INTERNAL AUDIT
REPORTS TO THE STATE AUDITOR AND INSPECTOR -
AMENDING 43A O.S. 1991, SECTION 2-205 -
CODIFICATION -

EFFECTIVE DATE)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 228 of Title 74, unless there is
created a duplication in numbering, reads as follows:

In addition to other requirements regarding audits prescribed by
law, all state agencies, departments, boards and commissions that
conduct internal audits shall submit internal audit reports,
including initial and final reports, to the State Auditor and
Inspector. Each audit shall be identified clearly as either an
initial internal audit report or as a final internal audit report.

SECTION 2. AMENDATORY 43A O.S. 1991, Section 2-205, is
amended to read as follows:

Section 2-205. The Department of Mental Health and Substance
Abuse Services is hereby directed to employ one or more internal
auditors to establish and perform an effective and comprehensive
internal audit program. Such program shall include, but not be
limited to, reviews of accounting procedures, internal control,

financial management and compliance with laws, regulations, policies and executive and legislative directives for the Department's administrative offices, institutions, community mental health centers and contractors. Internal audit reports, including initial and final reports, shall be made directly to the Governor, the State Auditor and Inspector, the Legislative Service Bureau, the Board of Mental Health and Substance Abuse Services and the Commissioner of Mental Health and Substance Abuse Services.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 213.2 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the Office of the State Auditor and Inspector a Management Audit Division. An Assistant State Auditor and Inspector shall be appointed to direct the operations of the Division, subject to the supervision and control of the State Auditor and Inspector at all times.

B. It shall be the duty of the Assistant State Auditor and Inspector, deputies and agents of the Management Audit Division to examine all books and accounts of all public officers, institutions and other governmental entities specified in Sections 211 through 227.9 of this title, at least one time every three (3) years, to instruct the proper officers thereof in the performance of their duties and to prescribe and enforce cost-effective methods of operating such governmental entities.

C. The salaries and traveling expenses of the Assistant State Auditor and Inspector, deputies and agents of the Management Audit Division and the costs of material, supplies and equipment for the Division shall be paid from funds made available through appropriation by the Legislature. For the fiscal year beginning July 1, 1992, and each fiscal year thereafter, the costs of the examinations and inspections authorized pursuant to subsection B of this section shall be paid for by the audited entity in an amount

not to exceed the lesser of the actual costs of such audit or the amount of the proposed financial savings which would be generated if the audited entity fully complied with the direction of the Management Audit Division as provided by this section.

D. The Assistant State Auditor and Inspector of the Management Audit Division shall submit an annual report evidencing the cumulative financial savings to the state as a result of the audits and directions of the Division to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

SECTION 4. This act shall become effective September 1, 1992.

Passed the House of Representatives the 10th day of March, 1992.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1992.

President of the Senate