

STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

HOUSE BILL NO. 2471

By: Cozort

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 1991, Section 452.10, which relates to submission of certain audits; creating the Legislative Review of State Audits Act; defining terms; requiring submission of audits and other information; providing for confidential material; requiring cooperation; providing for implementation of certain recommendations; requiring certain reviews; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 452.10, is amended to read as follows:

Section 452.10 Each state agency, ~~board, and commission~~ shall furnish copies of financial audits, compliance audits, and program reviews ~~on its entity~~ performed on such agency to the Office of State Finance, the State Auditor and Inspector, and the Legislative Service Bureau. ~~The Legislative Service Bureau shall provide copies to the House of Representatives and the Senate.~~

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 452.11 of Title 74, unless there is created a duplication in numbering, reads as follows:

Sections 2 through 5 of this act shall be known and may be cited as the "Legislative Review of State Audits Act".

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 452.12 of Title 74, unless there is created a duplication in numbering, reads as follows:

For purposes of the Legislative Review of State Audits Act:

1. "Agency" means any state officer, department, board, commission, institution, university, college, bodies politic and corporate of the state, and any other person or administrative division of state government or corporate outgrowth of state government expending or encumbering state funds, handling money on behalf of the state, or holding any trust funds on behalf of the state from any source derived. The term agency shall not include the Governor's office, the Legislature and cities, towns or municipalities;

2. "Audit" means an examination, an investigation or a review required by state or federal law in which state or federal funds or both state and federal funds are expended for all agency matters relating to:

- a. compliance by an agency with all applicable state and federal laws and rules,
- b. the efficiency and the economy of agency financial operations, or
- c. the effectiveness of an agency in achieving desired program results;

3. "Auditor" means any person, corporation, partnership, federal agency or other state agency, or other legal public or private entity performing an audit on an agency;

4. "Audit report" means the final review report in a written document which contains the comments and recommendations of the auditor, regardless of whether such audit report is available to the public. The report shall also include, if any, comments of the agency on which the audit was performed; and

5. "Records" include, but are not limited to, books, papers, maps, photographs, cards, tapes, recordings, or other documentary materials, regardless of physical form or characteristics, prepared, owned, used, or in the possession of or retained by the auditor, or the agency, or both the auditor and agency.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 452.13 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. 1. Upon the completion of the final audit report, the agency shall deliver three copies of the final audit report to the Speaker of the House of Representatives and three copies of the final audit report to the President Pro Tempore of the Senate.

2. If the final audit review report or any records or any part thereof is confidential, copies of the final audit report or any records delivered pursuant to this subsection shall be stamped "confidential".

B. 1. Upon receipt of any final audit review report, the Speaker of the House of Representatives shall submit one copy of the final audit report to the Chairman of the House Appropriations and Budget Committee, or successor committee. The President Pro Tempore of the Senate shall submit one copy of the report to the Chairman of the Senate Joint Committee on Budget and Program Oversight, or successor committee. The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each send a copy of the report to the appropriate standing committee of the respective body having oversight of the agency submitting the final audit report.

2. Each committee shall review the final audit report with regard to the recommendations or comments of the auditor and the agency response concerning implementation of the recommendations of the auditor.

C. 1. The members of the legislative committee reviewing the final audit report and legislative staff assigned to the committee shall have access to all documents and working papers and any agency documents and records relating to the audit.

2. Any contract or agreement with an auditor to perform an audit authorized or required by state or federal law or rule shall contain a provision informing the auditor that all documents, working papers and records relating to the audit shall be made available, upon request, to the legislative committee or legislative staff reviewing the final audit report. Any document, working papers and records relating to the audit that are confidential, shall be stamped "confidential" by the auditor.

D. In reviewing any audit report stamped confidential, or in the performance of reviewing any supporting documents and working papers relating to the audit that are stamped confidential, members of the Legislature and legislative staff shall be subject to the statutory provisions or other laws or rules regarding the confidentiality of records of the agency under review.

E. In order to carry out the provisions of the Legislative Review of State Audits Act, all agencies shall cooperate with the Legislature and legislative staff by answering all information requests within a period of time specified by the legislative committee reviewing the final audit report.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 452.14 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Each agency, upon receipt of the final audit report from the auditor, shall implement the recommendations of the auditor unless the implementation of the recommendations would:

1. Result in a substantial additional cost to the agency or the state compared with any cost savings which would result if the recommendations were implemented;

2. Require statutory changes;

3. Be against state policy or legislative intent for the agency or program thereof; or

4. Be otherwise disadvantageous to the agency or to the state.

B. If the state agency is unable to implement the recommendations of the auditor, the state agency shall include, with the copies of the final audit report submitted pursuant to the Legislative Review of State Audits Act, written statements for each recommendation in the audit report explaining in detail the reasons for not implementing such recommendations.

SECTION 6. This act shall become effective November 1, 1996.

45-2-8946

KSM