

ENGROSSED HOUSE  
BILL NO. 3086

By: Braddock of the House  
and  
Morgan of the Senate

An Act relating to state government; amending 74 O.S. 1991, Section 213, as last amended by Section 4, Chapter 136, O.S.L. 1997 (74 O.S. Supp. 1997, Section 213), which relates to duties of the State Auditor and Inspector; deleting requirement of State Auditor and Inspector to perform certain audit reviews; requiring boards of regents of state institutions of higher education to require quality control reviews of internal audits; deleting obsolete provision; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 213, as last amended by Section 4, Chapter 136, O.S.L. 1997 (74 O.S. Supp. 1997, Section 213), is amended to read as follows:

Section 213. A. It shall be the duty of the State Auditor and Inspector to examine and report upon the books and financial accounts of the several public, educational, charitable, penal and reformatory institutions belonging to the state; to prescribe and enforce correct methods of keeping financial accounts of the state institutions and instruct the proper officers thereof in the

performance of their duties concerning the same; to examine the books and accounts of all public institutions under the control of the state at least once each year. Any officer of such public, educational, charitable, penal and reformatory institutions who shall refuse or willfully neglect to comply with such direction of the State Auditor and Inspector within a reasonable time shall be guilty of a misdemeanor.

~~B. If requested in accordance with subsection C of 70 O.S. 3909, the State Auditor and Inspector shall perform a quality control review of the internal audit functions required by each board of regents of institutions of higher education~~ Each board of regents of institutions in The Oklahoma State System of Higher Education shall require a quality control review of the internal audit function required pursuant to subsection D of Section 3909 of Title 70 of the Oklahoma Statutes for each institution under its governance at least once every three (3) years. This review shall be in accordance with the "Quality Assurance Review Manual for Internal Auditing" developed by the Institute of Internal Auditors or any successor organization thereto. A copy of the report on the quality control review shall be filed with the State Auditor and Inspector.

~~C. No later than July 1, 1997, the Speaker of the House of Representatives and the President Pro Tempore of the Senate shall appoint a special joint interim committee, the sole purpose of which shall be to review and evaluate the effectiveness of the quality control reviews specified in subsection B of this section for the fiscal years ending on June 30, 1995, 1996, and 1997. A copy of the final report of the interim committee, including any recommendations for modification of the Oklahoma Statutes, shall be distributed to each member of the Legislature no later than December 1, 1997.~~

~~D.~~ The State Auditor and Inspector shall perform a special audit on common school districts and area vocational-technical

districts upon receiving a written request to do so by any of the following: the Governor, Attorney General, President Pro Tempore of the Senate, Speaker of the House of Representatives, State Board of Education, or the vocational-technical district board. The State Auditor and Inspector shall perform a special audit on any institution of higher education within The Oklahoma State System of Higher Education whenever the State Auditor and Inspector deems it appropriate or upon receiving a written request to do so by any of the following: the Governor, the Attorney General, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the governing board of the institution of higher education, or the president of the institution of higher education. The special audit shall include, but not necessarily be limited to, a compliance audit. The special audit shall be conducted according to the American Institute of Certified Public Accountants' "Statements on Auditing Standards". Such audits shall be designed to review items for management's compliance with statutes, rules, policies and internal control procedures or other items applicable to each entity. The costs of any such audit shall be borne by the audited entity and may be defrayed, in whole or in part, by any federal funds available for that purpose.

SECTION 2. This act shall become effective July 1, 1998.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 3rd day of March, 1998.

Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1998.

President of the Senate