

1 STATE OF OKLAHOMA

2 1st Session of the 47th Legislature (1999)

3 CONFERENCE COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 HOUSE BILL NO. 1104

6 By: Matlock of the House

7 and

8 Smith of the Senate

9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to state government; amending 74 O.S.
11 1991, Section 213, as last amended by Section 3 of
12 Enrolled Senate Bill No. 750 of the 1st Session of
13 the 47th Oklahoma Legislature, which relates to
14 examinations of public institutions; modifying entity
15 to pay for certain audit; and declaring an emergency.

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

17 SECTION 1. AMENDATORY 74 O.S. 1991, Section 213, as last
18 amended by Section 3 of Enrolled Senate Bill No. 750 of the 1st
19 Session of the 47th Oklahoma Legislature, is amended to read as
20 follows:

21 Section 213. A. It shall be the duty of the State Auditor and
22 Inspector to examine and report upon the books and financial
23 accounts of the public, educational, charitable, penal and
24 reformatory institutions belonging to the state; to prescribe and
25 enforce correct methods of keeping financial accounts of the state
26 institutions and instruct the proper officers thereof in the
27 performance of their duties concerning the same; to examine the
28 books and accounts of all public institutions under the control of
29 the state at least once each year. Any officer of such public,
30 educational, charitable, penal and reformatory institutions who
31 shall refuse or willfully neglect to comply with such direction of
32 the State Auditor and Inspector within a reasonable time shall be
guilty of a misdemeanor.

1 B. Each board of regents of institutions in The Oklahoma State
2 System of Higher Education shall require a quality control review of
3 the internal audit function required pursuant to subsection D of
4 Section 3909 of Title 70 of the Oklahoma Statutes for each
5 institution under its governance at least once every three (3)
6 years. This review shall be in accordance with the "Quality
7 Assurance Review Manual for Internal Auditing" developed by the
8 Institute of Internal Auditors or any successor organization
9 thereto. A copy of the report on the quality control review shall
10 be filed with the State Auditor and Inspector.

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

3 D. The State Auditor and Inspector shall perform a special
4 audit without notice on the office of any district attorney or on
5 any division of the Department of Corrections upon receiving a
6 written request to do so by any of the following: the Governor, the
7 Attorney General, or joint request of the President Pro Tempore of
8 the Senate and the Speaker of the House of Representatives. The
9 State Auditor and Inspector shall perform a special audit without
10 notice on any penal institution, corrections program, contract for
11 service or prison bed space provided to the Department of
12 Corrections, or any program administered by a district attorney's
13 office or staff of such office whenever the State Auditor and
14 Inspector deems it appropriate or upon receiving a written request
15 to do so by any of the following: the Governor, the Attorney
16 General, or joint request of the President Pro Tempore of the Senate
17 and the Speaker of the House of Representatives. The special audit
18 shall include, but not necessarily be limited to, a compliance
19 audit. Such audits shall be designed to review items for compliance
20 with statutes, rules, policies and internal control procedures or
21 other items applicable to each entity. The costs of any such audit
22 shall be paid by the ~~audited entity~~ state agency and may be
23 defrayed, in whole or in part, by any federal funds available for
24 that purpose through any audited program.

25 SECTION 2. It being immediately necessary for the preservation
26 of the public peace, health and safety, an emergency is hereby
27 declared to exist, by reason whereof this act shall take effect and
28 be in full force from and after its passage and approval.

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