

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

HOUSE BILL HB2412

By: Coleman

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2001, 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. 2001, 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 to the Office of State Finance, the State Auditor and Inspector, and the Legislative Service Bureau. ~~The Legislative Service Bureau~~ Each state agency shall ~~provide~~ furnish copies of all audits on its entity to the ~~House of Representatives and the Senate~~ Legislature as required by the Legislative Review of State Audits Act. Copies of financial audits furnished to the Office of State Finance shall be furnished in accordance with the provisions of Section 212A of this title.

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, counties, and cities, towns or municipalities;

2. "Audit" means an examination, an investigation or a review required by or performed as a result of state or federal law or program or rules thereof or any examination, investigation or review in which any agency, state or federal funds or both state and federal funds are expended for any agency matter relating to:

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

The term "audit" shall not include position audits performed by the Office of Personnel Management or confidential requests made by any member of the Legislature or the Governor's office.

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

4. "Audit report" means the final report in a written document which contains the comments and recommendations of the auditor. The audit 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. Upon the completion of the audit report, the agency shall deliver three copies of the audit report to the Speaker of the House of Representatives and three copies of the audit report to the President Pro Tempore of the Senate.

B. 1. Upon receipt of any audit report, the Speaker of the House of Representatives shall submit one copy of the 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 audit report to the Chairman of the Senate Joint Legislative 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 audit report to the appropriate standing committee of the respective body having oversight of the agency submitting the audit report.

2. Each committee shall review the 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 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 unless specifically precluded by state or federal law.

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 for inspection, upon request, to the legislative committee or legislative staff reviewing the final audit report unless specifically precluded by state or federal law.

D. In reviewing any audit report, or in the performance of reviewing any supporting documents and working papers relating to the audit, 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 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 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 or not a cost benefit to the agency or the state compared with any cost savings or cost benefit which would result if the recommendations were implemented;

2. Require statutory changes; or

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

B. If the state agency is unable to implement the recommendations of the auditor, the state agency shall include, with the copies of the audit report submitted pursuant to the Legislative Review of State Audits Act, a plan of action for achieving the recommendation of the auditor or a written statement 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, 2002.

48-2-7466            KSM            6/12/15