

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

HOUSE BILL HB1666

By: Young

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2001, Section 212, which relates to audits by the State Auditor and Inspector; authorizing the State Auditor and Inspector to perform certain audits; requiring scope to be determined by State Auditor and Inspector; specifying types of audits; providing for payment of costs; requiring submission of cost estimates; prohibiting certain actions; providing who may request an audit; providing for methods of payment; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 212, is amended to read as follows:

Section 212. A. STATE TREASURER

The State Auditor and Inspector shall examine without notice all books and accounts of the State Treasurer twice each year.

B. STATE OFFICERS

The State Auditor and Inspector shall examine at least once each year the books and accounts of all state officers whose duty it is to collect, disburse or manage funds of the state.

C. STATE AGENCIES

1. Except as otherwise specifically provided by this section, the State Auditor and Inspector may examine the books and accounts of any state agency.

2. The scope of the audit shall be determined by the State Auditor and Inspector.

3. The audit may include, but not be limited to, the audit of financial records, performance measures, compliance with any state or federal statutes and rules, and compliance with any regulations of state or federal programs.

4. The cost of any such audit shall be borne by the agency so audited in an amount not to exceed the actual costs of such audit. Actual costs of examinations shall be paid by the audited agency in one of the following manners as determined by the audited agency:

- a. monthly amounts will be deducted from allocations made to the audited agency by the Office of State Finance and remitted to the State Auditor and inspector. If the cost is remitted monthly, the State Auditor and Inspector must present a reasonable cost estimate at the beginning of each fiscal year. Overage or underage of actual cost compared to estimated cost will be settled upon completion of the audit, and
- b. annual amounts will be deducted from allocations made to the audited agency by the Office of State Finance and remitted to the State Auditor and Inspector. If cost is remitted annually, the State Auditor and Inspector must present a billing to the Office of State Finance for payment. The amount shall be deducted from allocations made to the audited agency by the Office of the State Finance and remitted to the State Auditor and Inspector. Remittance shall be made within sixty (60) days of completion of the examination.

5. The State Auditor and Inspector shall submit a cost estimate to the audited agency prior to the beginning of the audit examination.

6. No state agency may refuse to be audited pursuant to this subsection by the State Auditor and Inspector or refuse to pay the audit costs determined pursuant to the provisions of this subsection.

7. An audit of an agency subject to the provisions of this subsection may be requested by:

- a. the State Auditor and Inspector,
- b. the Governor, or
- c. any member of the Legislature approved in writing by the Speaker of the House of Representatives or the President Pro Tempore of the Senate as applicable.

D. GUBERNATORIAL REQUEST

Whenever called upon to do so by the Governor, it shall be the duty of the State Auditor and Inspector to examine the books and accounts of any officer of the state or any of the officer's predecessors. The cost of the audit shall be borne by the entity to be audited.

~~D.~~ E. COUNTY TREASURER

The State Auditor and Inspector shall examine without notice all books and accounts of each county treasurer of the state twice each year.

~~E.~~ F. DISTRICT ATTORNEYS

The State Auditor and Inspector shall make continuous examination and audit of the books and accounts of the several offices of the district attorneys of this state and the District Attorneys Council. The audits shall be reported in separate reports for each entity. The audit may include, but shall not be limited to, the audit of the financial records, performance measures, and compliance with state or federal statutes and rules, and compliance with any regulations of state or federal programs. The expense of the audits shall be paid by the entity audited.

~~F.~~ G. DEPARTMENT OF CORRECTIONS

The State Auditor and Inspector shall make continuous examination and audit of the books and accounts of the several divisions of the Department of Corrections. The scope of the audit shall be determined by the State Auditor and Inspector using a risk-based approach. The audits shall be reported in separate reports for each division. The audit may include, but shall not be limited

to, the audit of the financial records, performance measures, and compliance with any state or federal statutes and rules, and compliance with any regulations of state or federal programs. The expense of the audits shall be paid by the entity audited.

~~G.~~ H. OKLAHOMA STATE AND EDUCATION EMPLOYEES GROUP INSURANCE BOARD

The State Auditor and Inspector shall cause to be audited the books and accounts of the office of the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB). The audit may include, but shall not be limited to, the audit of the financial records, performance measures, compliance with any state or federal statutes and rules, and compliance with any regulations of state programs. The audit shall be contracted out to private audit firms. The cost of the audit shall be borne by the Oklahoma State and Education Employees Group Insurance Board.

~~H.~~ I. DISTRICT ATTORNEY REQUEST

Whenever called upon to do so by any of the several district attorneys of the state, it shall be the duty of the State Auditor and Inspector to examine the books and accounts of any officer of any public entity. The cost of the audit shall be borne by the entity audited.

~~I.~~ J. COUNTY OFFICERS BY REQUEST

Upon request of the county commissioners of any county or the Governor, the State Auditor and Inspector shall examine the books and accounts of all or any of the officers or custodians of the various funds of the county; and payment for such examination shall be made by the county so examined.

~~J.~~ K. AUDITORS

The State Auditor and Inspector shall have power to employ auditors. No auditor shall examine the books or records of the county of the auditor's residence in counties of under two hundred thousand (200,000) population according to the most recent Federal

Decennial Census. The State Auditor and Inspector may employ on an as-needed basis only, legal counsel to carry out the statutory duties of the Office of the State Auditor and Inspector.

~~K.~~ L. EXAMINATION OF LEVIES

It shall be the duty of the State Auditor and Inspector to examine all levies to raise public revenue to see that they are made according to law and constitutional provisions. The State Auditor and Inspector shall have the power to order all excessive or erroneous lines (levies) to be corrected by the proper officers, and shall report any irregularities to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

~~H.~~ M. PETITION AUDITS

1. The State Auditor and Inspector shall audit the books and records of any subdivision of the State of Oklahoma upon petition signed by the requisite number of voters registered in the subdivision and meeting the requirements set out in this subsection.

2. The petition must contain the number of signatures equivalent to ten percent (10%) of the registered voters of the subdivision as determined by the county election board or, if the county election board determines that the number of registered voters in the subdivision cannot be determined due to boundary lines not conforming to precinct lines, the required number of petitioners shall be twenty-five percent (25%) of the total number of persons voting in the last subdivision-wide general election held in the subdivision. If the subdivision is a public trust, the required number of petitioners shall be the same as those required for an audit of its beneficiary. The appropriate county election board shall provide the number of signatures so required upon request.

3. The petition shall be in the form of an affidavit wherein the signatory shall declare upon oath or affirmation that the information given is true and correct and that he or she is a

citizen of the entity to be audited. The petition shall clearly state that falsely signing shall constitute perjury. It shall include the signature of the individual, the name of the signatory in printed form, the individual's residential address, the date of signing, the public entity to be audited and the anticipated range of the cost of the audit provided by the State Auditor and Inspector.

4. Any person desiring to petition for an audit shall list the areas, items or concerns they want to be audited, and request from the State Auditor and Inspector the anticipated range of cost of the audit. Within thirty (30) days from the receipt of the request, the State Auditor and Inspector shall mail a petition form to the person requesting the information which shall state the anticipated range of the cost and the items or concerns to be audited. The circulators of the petition shall have thirty (30) days from the date the petition is mailed by the State Auditor and Inspector to obtain the requisite number of signatures and return it to the State Auditor and Inspector.

5. Upon collection of the required number of signatures, the person desiring the audit shall present the signed petitions to the State Auditor and Inspector. Within thirty (30) days of receipt of the petitions, the State Auditor and Inspector shall present the petitions to the county election board located in the county in which the subdivision is located.

6. The county election board shall determine whether the signers of the petition are registered voters of the county in which the subdivision to be audited is located and whether the petition has the requisite number of signatures of such registered voters. The county election board shall certify the petition as having the required number of signatures or as failing to have the required number of signatures and return it to the State Auditor and Inspector.

7. The cost of the audit shall be borne by the public entity audited. Upon notification by the State Auditor and Inspector of receipt of the petition, certified by the county election board as having the required number of signatures, the public entity shall encumber funds in an amount specified by the State Auditor and Inspector, which shall be within the range of anticipated cost stated on the petition from any funds not otherwise specifically appropriated or allocated. Payment for the audit from such encumbered funds shall be made as work progresses, and final payment shall be made on or before its publication.

8. The names of the signers of any petition shall be confidential and neither the State Auditor and Inspector, the county election board nor the county treasurer may release them to any other person or entity except upon an order from a court of competent jurisdiction.

~~M.~~ N. PENALTIES FOR NONPAYMENT

The cost of any services provided by the State Auditor and Inspector shall be due and payable upon the publication of the audit. Any such costs not paid within ninety (90) days of the date of publication shall incur a penalty of Ten Dollars (\$10.00) per day for each day from the date of publication.

SECTION 2. This act shall become effective November 1, 2003.

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