

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2714

By: Shelton

AS INTRODUCED

An Act relating to amusements and sports; amending Section 34, Chapter 58, O.S.L. 2003 (3A O.S. Supp. 2005, Section 733), which relates to duties of the Oklahoma Lottery Commission; requiring the Oklahoma Lottery Commission to annually publish certain information in certain newspapers of the state; and providing an effective date.

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

SECTION 1. AMENDATORY Section 34, Chapter 58, O.S.L. 2003 (3A O.S. Supp. 2005, Section 733), is amended to read as follows:

Section 733. To ensure the financial integrity of the lottery, the Oklahoma Lottery Commission through its board of trustees shall:

1. Submit quarterly and annual reports to the Governor, State Auditor and Inspector, Oklahoma State Bureau of Investigation, Attorney General, and the oversight committee created by Section 35 of this act, disclosing the total lottery revenues, prize disbursements, operating expenses, and administrative expenses of the Commission during the reporting period. The annual report shall additionally describe the organizational structure of the Commission and summarize the functions performed by each organizational division within the Commission;
2. Adopt a system of internal audits;
3. Maintain weekly or more frequent records of lottery transactions, including the distribution of tickets or shares to retailers, revenues received, claims for prizes, prizes paid,

prizes forfeited, and other financial transactions of the Commission;

4. Contract with a certified public accountant or firm for an annual financial audit of the Commission. The certified public accountant or firm shall have no financial interest in any vendor with whom the Commission is under contract. The certified public accountant or firm shall present an audit report not later than seven (7) months after the end of the fiscal year. The certified public accountant or firm shall evaluate the internal auditing controls in effect during the audit period. The cost of this annual financial audit shall be an operating expense of the Commission. The State Auditor and Inspector may at any time conduct an audit of any phase of the operations of the Commission at the expense of the Commission and shall receive a copy of the annual independent financial audit. A copy of any audit performed by the certified public accountant or firm or the State Auditor and Inspector shall be transmitted to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives, the State Auditor and Inspector, and the cochairs of the oversight committee created in Section ~~35~~ 734 of this ~~act~~ title;

5. Submit to the Office of State Finance and the State Auditor and Inspector by June 30 of each year a copy of the annual operating budget for the Commission for the next fiscal year. This annual operating budget shall be approved by the board and be on such forms as prescribed by the Office of State Finance; ~~and~~

6. For informational purposes only, submit to the Office of State Finance on September 1 of each year a proposed operating budget for the Commission for the succeeding fiscal year. The budget proposal shall also be accompanied by an estimate of the net proceeds to be deposited into the Oklahoma Education Lottery Trust Fund during the succeeding fiscal year. The budget shall be on such forms as prescribed by the Office of State Finance; and

7. Publish no later than December 31 of each year, in the form of an advertisement at least one-fourth (1/4) of a page in size, the following information in every general-circulation daily newspaper published in Oklahoma:

- a. the statements of revenue, expenses and changes in retained earnings as shown in the most recent annual audit report, and
- b. a detailed accounting of the monies appropriated by the Legislature from the Oklahoma Education Lottery Trust Fund for the current fiscal year.

The Oklahoma Lottery Commission shall pay for the cost of the advertisement.

SECTION 2. This act shall become effective November 1, 2006.

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