STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1913 By: Johnson (Mike)

AS INTRODUCED

An Act relating to performance audits; amending 74 O.S. 2001, Section 452.4, which relates to the authority of the Legislative Service Bureau; requiring certain performance audits to be conducted at the direction of, and for use by, Legislative Oversight Committee on State Budget Performance; requiring Committee to determine schedule; amending 62 O.S. 2001, Section 41.47, as amended by Section 3, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2005, Section 41.47), which relates to Legislative Oversight Committee on State Budget Performance; authorizing Committee to direct certain audits; 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. 2001, Section 452.4, is amended to read as follows:

Section 452.4 A. The Legislative Service Bureau is authorized and directed, in addition to other duties and responsibilities which may be assigned to it, to conduct or cause to be conducted pursuant to a contract a continuing program of performance post audits of any or all state agencies, departments, commissions, offices, authorities and all other entities of the state government, or any function thereof, receiving state-appropriated funds, cash funds, federal funds or any other funds derived under the authority or by virtue of law.

B. Such audits shall be conducted under the direction of, and for use by, the Legislative Oversight Committee on State Budget Performance, pursuant to Section 41.47 of Title 62 of the Oklahoma Statutes. The Committee shall determine the schedule for review of any state agency, department, commission, office, authority or other entity of state government. The Committee shall further determine

the type of audit to be conducted. If the Committee requires any or all of such audits to be conducted pursuant to a contract, the Committee shall approve such contract before it is entered into by the Legislative Service Bureau.

C. For the purpose of this section, "performance post audit" means an examination of the effectiveness of administration and its efficiency and adequacy in terms of the program of a state agency, authorized by law to be performed, and the conformance of expenditures with legislative intent in the appropriation of funds. Audits conducted shall include an analysis of the operation of all agencies of state government with special regard to their activities and the duplication of efforts between agencies and the quality of service being rendered.

SECTION 2. AMENDATORY 62 O.S. 2001, Section 41.47, as amended by Section 3, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2005, Section 41.47), is amended to read as follows:

Section 41.47. A. There is hereby established the Legislative Oversight Committee on State Budget Performance. The purposes of this committee shall include oversight of the implementation of a system of program performance-based budgeting for implementation by state agencies.

B. The Committee's duties shall also include:

1. Development of agency budget request forms and instructions in conjunction with the Office of State Finance;

2. Directing studies to aid in the development of legislative and procedural changes to further improve the budgetary, financial, accounting, reporting, personnel, and purchasing processes and systems of the state;

3. Direction of program evaluation and management studies;

4. Oversight and reporting on executive branch compliance with the legislative intent of appropriation measures. Such oversight and reporting duties may include:

a. agency reorganization actions,

b. executive orders calling for reduction of full-time-equivalents or hiring freezes, and

c. transfer of funds by the executive branch;

5. The development of revenue and expenditure estimates and analyses;

6. Study of the management, operations, programs and fiscal needs of the agencies and institutions of Oklahoma state government pursuant to the Oklahoma Program Performance Budgeting and Accountability Act;

7. Review of the executive budget, agency strategic plans and the estimate of needs of each state agency and institution. Reports may be issued by the Committee as it deems appropriate; ~~and~~

8. Implementation of an ongoing evaluation review procedure of existing programs based on zero-base budgeting techniques pursuant to the Oklahoma Program Performance Budgeting and Accountability Act. The committee in cooperation with the Office of State Finance shall establish a schedule to review strategic plans and existing programs for each agency a minimum of once every four (4) years. The committee shall issue an evaluation report for each agency once every four (4) years which will include but not be limited to the following information:

a. a review of the agency's programs, performance and management,

b. whether the agency has demonstrated that there is a need for the services and programs which justifies the agency's continued existence,

c. whether the agency is the most appropriate provider of the programs and services furnished by the agency<u>; and</u>

<u>9. Direction of performance post audits pursuant to Section 452.4 of Title 74 of the Oklahoma Statutes</u>.

C. Any reference in the Oklahoma Statutes to the Joint Legislative Committee on Budget and Program Oversight shall be a reference to the Legislative Oversight Committee on State Budget Performance.

D. The Committee shall be composed of three members appointed by the President Pro Tempore of the Senate, three members appointed by the Speaker of the House of Representatives, two members by the minority leader of the Senate and two members appointed by the minority leader of the House of Representatives. The Chair and Vice Chair of the Committee shall rotate every two (2) years between the Senate and the House of Representatives beginning with a Senate member serving as Chair in 2003. The Committee shall meet at least four (4) times per year and at other times as called by the Chair. The Legislative Oversight Committee on State Budget Performance shall function as a committee of the Legislature when the Legislature is in session and is not in session. Each member of the Committee shall serve until a successor is appointed.

E. The Committee shall be staffed jointly by the staff of the fiscal divisions of the Senate and the House of Representatives.

F. The Committee may make use of all available teleconferencing technology to facilitate meetings of the Committee when the Legislature is not in session. The Committee shall take any appropriate action to make such teleconferenced meetings comply with the provisions of the Oklahoma Open Meeting Act~~, Section 301 et seq. of Title 25 of the Oklahoma Statutes~~.

G. The Committee shall periodically meet in different geographical regions of the state to enhance the Committee's understanding of local conditions and to help educate the public as to the fiscal condition of the state.

SECTION 3. This act shall become effective July 1, 2006.

SECTION 4. 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.

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