

SB 1951

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THE STATE SENATE
Monday, February 25, 2008

Senate Bill No. 1951
As Amended

SENATE BILL NO. 1951 - By: WILCOXSON of the Senate and JONES of the House.

[schools - qualifications of accountants for audits -
School Investigative Audit Revolving Fund - codification -
effective date -
emergency]

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

SECTION 1. AMENDATORY 70 O.S. 2001, Section 22-104, as amended by Section 15, Chapter 472, O.S.L. 2005 (70 O.S. Supp. 2007, Section 22-104), is amended to read as follows:

Section 22-104. A. The audit of each public school shall be made in accordance with generally accepted auditing standards as defined by the American Institute of Certified Public Accountants and shall comply with the most recent Government Auditing Standards issued by the United States Government Accountability Office, except in those instances in which such standards are in violation of the laws of the State of Oklahoma or the rules and regulations of the State Board of Education.

B. All accountants or partnerships of accountants, before entering into audit contracts required under this article, shall satisfy the State Board of Education that such accountant or at

1 least one partner of a partnership of accountants is a resident of
2 the State of Oklahoma with at least two (2) years of public
3 accounting experience and is currently maintaining an office in the
4 State of Oklahoma. Any certified public accountant who is also an
5 attorney licensed to practice law in the state and has engaged in
6 the private practice of law for at least two (2) years shall be
7 deemed to meet the experience requirement of this section.

8 C. Accountants or partnerships of accountants shall submit
9 their application with the most recent peer review and any letter of
10 comment for approval or disapproval by the State Board of Education
11 for the current audit year on or before the first day of January of
12 each calendar year. If and when the State of Oklahoma requires all
13 auditors to be licensed by the Oklahoma Accountancy Board, each
14 accountant or partnership of accountants shall also satisfy the
15 State Board of Education that such accountants or partnership of
16 accountants has been so licensed and is held in good standing by the
17 Oklahoma Accountancy Board during the period in which the audit was
18 conducted before being placed on the list of approved school
19 auditors. Provided, that any accountant approved prior to the
20 requirement of such license and who is still in good standing with
21 the State Board of Education shall continue to be eligible for
22 approval and inclusion on the list of approved auditors.

1 D. All accountants or partnerships of accountants entering into
2 audit contracts required under this article shall carry a minimum of
3 Two Hundred Fifty Thousand Dollars (\$250,000.00) accountants'
4 professional liability insurance or the total amount of the budget
5 being audited, whichever is less.

6 E. A board of education shall not enter into an audit contract
7 with the same accountant or partnership of accountants for more than
8 five (5) consecutive years.

9 SECTION 2. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 18-118.1 of Title 70, unless
11 there is created a duplication in numbering, reads as follows:

12 A. When a bond is forfeited due to illegal activity of a school
13 district officer or employee and an audit performed by the Office of
14 the State Auditor and Inspector reported the illegal activity, the
15 school district shall forward ten percent (10%) of the amount of the
16 forfeited bond to the State Board of Education for deposit to the
17 School Investigative Audit Revolving Fund.

18 B. 1. Every person convicted of the crime of theft,
19 embezzlement, conversion, or misappropriation of school district
20 funds shall be assessed an amount equivalent to ten percent (10%) of
21 any court-ordered restitution costs.

22 2. The assessment shall be mandatory and in addition to and not
23 in lieu of any fines, restitution costs, other assessments, or

1 forfeitures authorized or required by law for the offense. The
2 assessment required by this subsection shall not be subject to any
3 order of suspension. The court shall order either a lump-sum
4 payment or establish a payment schedule.

5 3. Failure of the offender to comply with the payment schedule
6 shall be considered contempt of court.

7 4. For purposes of collection, the assessment order shall not
8 expire until paid in full, nor shall the assessment order be limited
9 by the term of imprisonment prescribed by law for the offense, not
10 by any term of imprisonment imposed against the offender, whether
11 suspended or actually served.

12 5. The assessment provided for in this subsection shall be
13 collected by the court clerk as provided for collection of fines and
14 costs. When assessment payments are collected by the court clerk
15 pursuant to court order, the funds shall be forwarded to the State
16 Board of Education for deposit into the School Investigative Audit
17 Revolving Fund created by this section.

18 C. 1. There is hereby created in the State Treasury a
19 revolving fund for the State Board of Education to be designated the
20 "School Investigative Audit Revolving Fund". The fund shall be a
21 continuing fund, not subject to fiscal year limitations, and shall
22 consist of all monies paid to and received by the State Board of
23 Education from school districts, officers, or employees for the

1 performance of audits, for the forfeiture of bonds, or for
2 assessments ordered in addition to court-ordered restitution costs,
3 and monies appropriated or transferred to the fund by the
4 Legislature.

5 2. All monies accruing to the credit of the fund are hereby
6 appropriated and may be budgeted and expended by the State Board of
7 Education to reimburse the Office of the State Auditor and Inspector
8 for costs incurred in the performance of special audits conducted
9 pursuant to the provisions of Section 213 of Title 74 of the
10 Oklahoma Statutes.

11 3. Prior to approval of any payment from this fund, the State
12 Board of Education shall determine that a school district that is
13 liable for expenses incurred due to the performance of an audit is
14 unable to pay such expenses. Payments from this fund shall only be
15 made to the extent that monies are available in the fund.
16 Expenditures from the fund shall be made upon warrants issued by the
17 State Treasurer against claims filed as prescribed by law with the
18 Director of State Finance for approval and payment.

19 SECTION 3. This act shall become effective July 1, 2008.

20 SECTION 4. It being immediately necessary for the preservation
21 of the public peace, health and safety, an emergency is hereby
22 declared to exist, by reason whereof this act shall take effect and
23 be in full force from and after its passage and approval.

1 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-20-08 - DO
2 PASS, As Amended and Coauthored.