

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 SENATE BILL 1951

By: Wilcoxson

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5
6 AS INTRODUCED

7 An Act relating to schools; amending 70 O.S. 2001,
8 Section 22-104, as amended by Section 15, Chapter
9 472, O.S.L. 2005 (70 O.S. Supp. 2007, Section 22-
10 104), which relates to qualifications of accountants
11 for audits of school districts; prohibiting
12 contracting with accountants for more than certain
13 period of time; requiring districts to forward
14 portion of forfeited bond to certain fund; placing
15 certain assessment on persons convicted of certain
16 crimes; specifying assessment to be mandatory and not
17 subject to suspension; providing for failure to
18 comply with certain conditions to be in contempt of
19 court; providing for terms of collection; requiring
20 court clerk to forward assessment payments to certain
21 fund; creating the School Investigative Audit
22 Revolving Fund; specifying purpose of fund and
23 procedures related thereto; providing for
24 codification; providing an effective date; and
declaring an 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

1 defined by the American Institute of Certified Public Accountants
2 and shall comply with the most recent Government Auditing Standards
3 issued by the United States Government Accountability Office, except
4 in those instances in which such standards are in violation of the
5 laws of the State of Oklahoma or the rules and regulations of the
6 State Board of Education.

7 B. All accountants or partnerships of accountants, before
8 entering into audit contracts required under this article, shall
9 satisfy the State Board of Education that such accountant or at
10 least one partner of a partnership of accountants is a resident of
11 the State of Oklahoma with at least two (2) years of public
12 accounting experience and is currently maintaining an office in the
13 State of Oklahoma. Any certified public accountant who is also an
14 attorney licensed to practice law in the state and has engaged in
15 the private practice of law for at least two (2) years shall be
16 deemed to meet the experience requirement of this section.

17 C. Accountants or partnerships of accountants shall submit
18 their application with the most recent peer review and any letter of
19 comment for approval or disapproval by the State Board of Education
20 for the current audit year on or before the first day of January of
21 each calendar year. If and when the State of Oklahoma requires all
22 auditors to be licensed by the Oklahoma Accountancy Board, each
23 accountant or partnership of accountants shall also satisfy the
24 State Board of Education that such accountants or partnership of

1 accountants has been so licensed and is held in good standing by the
2 Oklahoma Accountancy Board during the period in which the audit was
3 conducted before being placed on the list of approved school
4 auditors. Provided, that any accountant approved prior to the
5 requirement of such license and who is still in good standing with
6 the State Board of Education shall continue to be eligible for
7 approval and inclusion on the list of approved auditors.

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

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

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

19 A. When a bond is forfeited due to illegal activity of a school
20 district officer or employee and an audit performed by the Office of
21 the State Auditor and Inspector reported the illegal activity, the
22 school district shall forward ten percent (10%) of the amount of the
23 forfeited bond to the State Board of Education for deposit to the
24 School Investigative Audit Revolving Fund.

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

5 2. The assessment shall be mandatory and in addition to and not
6 in lieu of any fines, restitution costs, other assessments, or
7 forfeitures authorized or required by law for the offense. The
8 assessment required by this subsection shall not be subject to any
9 order of suspension. The court shall order either a lump-sum
10 payment or establish a payment schedule.

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

13 4. For purposes of collection, the assessment order shall not
14 expire until paid in full, nor shall the assessment order be limited
15 by the term of imprisonment prescribed by law for the offense, not
16 by any term of imprisonment imposed against the offender, whether
17 suspended or actually served.

18 5. The assessment provided for in this subsection shall be
19 collected by the court clerk as provided for collection of fines and
20 costs. When assessment payments are collected by the court clerk
21 pursuant to court order, the funds shall be forwarded to the State
22 Board of Education for deposit into the School Investigative Audit
23 Revolving Fund created by this section.

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1 C. 1. There is hereby created in the State Treasury a
2 revolving fund for the State Board of Education to be designated the
3 "School Investigative Audit Revolving Fund". The fund shall be a
4 continuing fund, not subject to fiscal year limitations, and shall
5 consist of all monies paid to and received by the State Board of
6 Education from school districts, officers, or employees for the
7 performance of audits, for the forfeiture of bonds, or for
8 assessments ordered in addition to court-ordered restitution costs,
9 and monies appropriated or transferred to the fund by the
10 Legislature.

11 2. All monies accruing to the credit of the fund are hereby
12 appropriated and may be budgeted and expended by the State Board of
13 Education to reimburse the Office of the State Auditor and Inspector
14 for costs incurred in the performance of special audits conducted
15 pursuant to the provisions of Section 213 of Title 74 of the
16 Oklahoma Statutes.

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

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

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

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