

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1986

By: Lerblance

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5
6 AS INTRODUCED

7 An Act relating to state government; amending 74 O.S.
8 2001, Section 212, which relates to audits of state
9 entities; adding exception for payment of audit
expenses for certain entities; and providing an
effective date.

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

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

15 Section 212.

16 A. STATE TREASURER

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

19 B. STATE OFFICERS

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

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

6 D. COUNTY TREASURER

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

10 E. DISTRICT ATTORNEYS

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

20 F. DEPARTMENT OF CORRECTIONS

21 The State Auditor and Inspector shall make continuous
22 examination and audit of the books and accounts of the several
23 divisions of the Department of Corrections. The scope of the audit
24 shall be determined by the State Auditor and Inspector using a risk-

1 based approach. The audits shall be reported in separate reports
2 for each division. The audit may include, but shall not be limited
3 to, the audit of the financial records, performance measures, and
4 compliance with any state or federal statutes and rules, and
5 compliance with any regulations of state or federal programs. The
6 expense of the audits shall be paid by the entity audited.

7 G. OKLAHOMA STATE AND EDUCATION EMPLOYEES GROUP INSURANCE BOARD

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

17 H. DISTRICT ATTORNEY REQUEST

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

23 I. COUNTY OFFICERS BY REQUEST

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

6 J. AUDITORS

7 The State Auditor and Inspector shall have power to employ
8 auditors. No auditor shall examine the books or records of the
9 county of the auditor's residence in counties of under two hundred
10 thousand (200,000) population according to the most recent Federal
11 Decennial Census. The State Auditor and Inspector may employ on an
12 as-needed basis only, legal counsel to carry out the statutory
13 duties of the Office of the State Auditor and Inspector.

14 K. EXAMINATION OF LEVIES

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

23 L. PETITION AUDITS

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

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

17 3. The petition shall be in the form of an affidavit wherein
18 the signatory shall declare upon oath or affirmation that the
19 information given is true and correct and that he or she is a
20 citizen of the entity to be audited. The petition shall clearly
21 state that falsely signing shall constitute perjury. It shall
22 include the signature of the individual, the name of the signatory
23 in printed form, the individual's residential address, the date of
24 signing, the public entity to be audited and the anticipated range

1 of the cost of the audit provided by the State Auditor and
2 Inspector.

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

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

20 6. The county election board shall determine whether the
21 signers of the petition are registered voters of the county in which
22 the subdivision to be audited is located and whether the petition
23 has the requisite number of signatures of such registered voters.
24 The county election board shall certify the petition as having the

1 required number of signatures or as failing to have the required
2 number of signatures and return it to the State Auditor and
3 Inspector.

4 7. The cost of the audit shall be borne by the public entity
5 audited, except as provided in paragraph 9 of this subsection. Upon
6 notification by the State Auditor and Inspector of receipt of the
7 petition, certified by the county election board as having the
8 required number of signatures, the public entity shall encumber
9 funds in an amount specified by the State Auditor and Inspector,
10 which shall be within the range of anticipated cost stated on the
11 petition from any funds not otherwise specifically appropriated or
12 allocated. Payment for the audit from such encumbered funds shall
13 be made as work progresses, and final payment shall be made on or
14 before its publication.

15 8. The names of the signers of any petition shall be
16 confidential and neither the State Auditor and Inspector, the county
17 election board nor the county treasurer may release them to any
18 other person or entity except upon an order from a court of
19 competent jurisdiction or as may be required by law by the State
20 Auditor and Inspector in recovering costs of an audit pursuant to
21 paragraph 9 of this subsection.

22 9. If an audit requested pursuant to this subsection reveals no
23 irregularities after an examination of the books and accounts is
24 performed or the State Auditor and Inspector otherwise deems the

1 accounting procedures of the public entity satisfactory, then the
2 cost of the audit shall be borne by those persons whose signatures
3 appear on the petition and those persons shall be jointly and
4 severally liable for the cost.

5 M. PENALTIES FOR NONPAYMENT

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

11 SECTION 2. This act shall become effective November 1, 2008.

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