

1 **SENATE FLOOR VERSION**

2 February 27, 2012

3 As Amended

4 SENATE JOINT
5 RESOLUTION NO. 81

6 By: Treat of the Senate

7 and

8 Murphey of the House

9 **[constitutional amendment - granting authority to
10 State Auditor and Inspector - performance audits -
11 procedures - funding - ballot title - filing]**

12 BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
13 2ND SESSION OF THE 53RD OKLAHOMA LEGISLATURE:

14 SECTION 1. The Secretary of State shall refer to the people for
15 their approval or rejection, as and in the manner provided by law,
16 the following proposed amendment to the Oklahoma Constitution by
17 adding a new Section 19.1 to Article VI to read as follows:

18 Section 19.1. A. The State Auditor and Inspector is hereby
19 granted full authority to conduct independent performance audits on
20 any non-federal governmental entity or program in Oklahoma. Such
21 audits shall be conducted in accordance with Government Auditing
22 Standards as issued by the United States Government Accountability
23 Office or its successor organization.

1 B. The performance audits shall be at the discretion of the
2 State Auditor and Inspector. The scope of the audits shall include,
3 as applicable given the audit objectives, but not be limited to the
4 following:

5 1. Identification of cost savings and recommendations for
6 achieving such;

7 2. Identification of services that can be reduced or
8 eliminated;

9 3. Identification of programs and services which could be
10 transferred to the private sector and operate in a more cost
11 effective manner;

12 4. Identification of duplication of services by programs or
13 entities which could be consolidated into a single program or
14 entity;

15 5. Identification of gaps in programs or services that could
16 adversely affect the entity or state;

17 6. Analysis of the objectives of programs and entities against
18 their performance measures;

19 7. Verification of compliance with significant laws and
20 regulations;

21 8. Identification of best practices;

22 9. Recommendations for statutory or regulatory changes to
23 enhance the effectiveness of the program or entity; and
24

1 10. Recommendations for improvement or enhancement of
2 operations or other matters relevant to the audit objectives.

3 The State Auditor and Inspector will seek written responses to
4 the recommendations from the program or entity officials. When
5 program or entity officials disagree or do not plan to implement
6 such recommendations, they shall report this with their reasoning
7 within thirty (30) days of public release of the audit to the
8 Governor, the President Pro Tempore of the Senate, and the Speaker
9 of the House of Representatives.

10 C. The State Auditor and Inspector may, at any time, conduct a
11 performance audit or a follow-up on previous performance audits as
12 deemed necessary.

13 D. The State Auditor and Inspector may issue subpoenas or
14 require other written affidavits in such form and in such manner as
15 he or she may prescribe. Any public official, elected or otherwise,
16 or any employee of any program or entity being audited who shall
17 obstruct or refuse access to information or documents relevant to
18 such audits shall be guilty of a misdemeanor.

19 E. All performance audits shall become a public record upon
20 completion of the audit. In addition, copies of each performance
21 audit report shall be furnished to the Governor, the President Pro
22 Tempore of the Senate, the Speaker of the House of Representatives,
23 the chairpersons of the appropriate legislative committees and the
24 responsible officials of the program or entity being audited.

1 F. Performance audits authorized herein shall not limit or
2 restrict other public officials from requesting performance audits
3 by the State Auditor and Inspector as provided by law.

4 G. Where appropriate, the State Auditor and Inspector may, at
5 his or her discretion, contract out any or all aspects of any
6 performance audit.

7 H. Funding for performance audits shall be provided by
8 dedicating one-tenth of one percent (1/10 of 1%) of all sales and
9 use taxes collected by the State of Oklahoma. **The provisions of**
10 **this subsection shall not apply to sales and use tax revenue derived**
11 **from a levy imposed by a political subdivision.** Such amounts shall
12 be accumulated and apportioned monthly to a separate revolving fund
13 in the State Treasury. These revenues may only be used in
14 conducting performance audits performed under the authority of this
15 section, which can include costs associated with personnel,
16 services, equipment, supplies, or other direct costs of performing
17 such audits. Only the State Auditor and Inspector or the State
18 Auditor and Inspector's designee may authorize expenditures from the
19 fund.

20 I. By September 30 of each year, the State Auditor and
21 Inspector shall issue an annual report summarizing the results of
22 performance audits completed. This annual report shall include a
23 summary of all recommended cost savings, as applicable, in such
24 performance audit reports as were issued in the preceding fiscal

1 year. Copies of this report shall be made available to the public
2 and provided to the Governor, the President Pro Tempore of the
3 Senate, and the Speaker of the House of Representatives.

4 J. The Legislature is hereby authorized to enact laws to
5 implement the provisions of this section.

6 SECTION 2. The Ballot Title for the proposed Constitutional
7 amendment as set forth in SECTION 1 of this resolution shall be in
8 the following form:

9 BALLOT TITLE

10 Legislative Referendum No. _____ State Question No. _____

11 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

12 This measure amends the state Constitution. It creates a new
13 Section 19.1 of Article 6. It would grant the State Auditor and
14 Inspector the authority to conduct performance audits. Any
15 nonfederal governmental entity or program could be audited.
16 Procedures for and the scope of audits are specified. The State
17 Auditor and Inspector would have additional powers, such as
18 issuing subpoenas, in conducting these audits. All audits would
19 be public upon completion. Funding for audits would be provided
20 by dedicating 1/10 of 1% of sales and use taxes collected by the
21 state to a separate fund. The State Auditor and Inspector would
22 have to issue an annual report. The Legislature could enact
23 laws to implement this section.

24 SHALL THE PROPOSAL BE APPROVED?

1 FOR THE PROPOSAL - YES _____

2 AGAINST THE PROPOSAL - NO _____

3 SECTION 3. The President Pro Tempore of the Senate shall,
4 immediately after the passage of this resolution, prepare and file
5 one copy thereof, including the Ballot Title set forth in SECTION 2
6 hereof, with the Secretary of State and one copy with the Attorney
7 General.

8 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-22-12 - DO
9 PASS, As Amended and Coauthored.

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