

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

CONFERENCE COMMITTEE
SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 3598

By: McCall of the House

and

Treat of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to public finance; amending Sections 2, Chapter 325, O.S.L. 2017, 3, Chapter 325, O.S.L. 2017, 4, Chapter 325, O.S.L. 2017, 5, Chapter 325, O.S.L. 2017 (62 O.S. Supp. 2017, Sections 8002, 8003, 8004 and 8005), which relate to the Agency Performance and Accountability Commission; authorizing Commission to contract with Attorney General for legal advice; authorizing Commission to contract for professional consulting and administrative support services; modifying implementation of recommendations; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 2, Chapter 325, O.S.L. 2017 (62 O.S. Supp. 2017, Section 8002), is amended to read as follows:

Section 8002. A. There is hereby created the Agency Performance and Accountability Commission which shall consist of:

1 1. Three members appointed by the Governor:

2 a. at least one of whom shall be the president, owner,
3 chief executive officer or chief financial officer of
4 an Oklahoma-based company, and

5 b. at least one of whom shall be an auditor who is
6 employed as an internal auditor by a company or who is
7 employed by a private auditing firm;

8 2. Three members appointed by the President Pro Tempore of the
9 Oklahoma Senate, at least one of whom shall be a business efficiency
10 expert;

11 3. Three members appointed by the Speaker of the Oklahoma House
12 of Representatives, at least one of whom shall be a business
13 efficiency expert; and

14 4. The Director of the Office of Management and Enterprise
15 Services, or his or her designee who is an employee of the Office of
16 Management and Enterprise Services, who shall be an ex officio and
17 nonvoting member.

18 B. No person shall be appointed to the Commission who at the
19 time of his or her appointment is an elected official. Any person
20 who is appointed to the Commission who subsequently becomes an
21 elected official during his or her term on the Commission shall be
22 required to vacate his or her position on the Commission.

23 C. The Senate and the House of Representatives shall provide
24 staff and administrative support to the Commission. The Commission

1 shall contract with the Attorney General who shall provide legal
2 advice on any matter related to the powers and duties of the
3 Commission.

4 SECTION 2. AMENDATORY Section 3, Chapter 325, O.S.L.
5 2017 (62 O.S. Supp. 2017, Section 8003), is amended to read as
6 follows:

7 Section 8003. A. The Agency Performance and Accountability
8 Commission shall conduct independent comprehensive performance
9 audits. The term "independent comprehensive performance audit"
10 (ICPA) includes, but is not limited to, a review and analysis of the
11 economy, efficiency, effectiveness and compliance of the policies,
12 management, fiscal affairs and operations of state agencies,
13 divisions, programs and accounts. The results of an ICPA may be
14 used by the Legislature to implement the best budgeting and policy-
15 making practices for government services to run in the most cost-
16 effective way.

17 B. The Commission shall conduct an ICPA for each appropriated
18 executive branch agency having total state appropriations for a
19 fiscal year which rank the agency in the highest twenty such
20 agencies. The Commission shall develop a schedule under which an
21 ICPA for each such agency shall be conducted at least once every
22 four (4) fiscal years. The Commission may also conduct an ICPA of
23 any other agency at its discretion, subject to the availability of
24 funds.

1 C. By December 31 of each year, the Commission shall issue an
2 annual report on the status of implementation of audit
3 recommendations. The Commission may also include its comments or
4 recommendations based on any ICPA in this report.

5 D. The Commission shall contract with the Attorney General for
6 legal services in the performance of its official duties.

7 SECTION 3. AMENDATORY Section 4, Chapter 325, O.S.L.
8 2017 (62 O.S. Supp. 2017, Section 8004), is amended to read as
9 follows:

10 Section 8004. A. The Agency Performance and Accountability
11 Commission may contract with a private company, nonprofit
12 organization or academic institution to assist with an independent
13 comprehensive performance audit or for professional consulting and
14 administrative support services. The Commission may, but shall not
15 be required to, contract with the Office of the State Auditor and
16 Inspector to conduct any ICPA. The Commission shall develop the
17 scope of services for a request for proposals issued, for
18 professional services necessary to complete each ICPA. Prior to
19 entering into any contract, the Commission shall obtain no less than
20 three separate bids for the auditing services, unless the Commission
21 determines that fewer than three entities meet the qualifications to
22 bid to perform such services as set forth by the Commission. The
23 cost of the contract shall be paid by the Legislative Services
24 Bureau.

1 B. The Commission shall provide the results of each ICPA in a
2 written report to the Governor, President Pro Tempore of the Senate
3 and Speaker of the House of Representatives. The report shall be
4 made publicly available on the Oklahoma State Legislature's website
5 and *documents.ok.gov*.

6 C. The independent comprehensive performance audit shall
7 address but not be limited to the following topics:

8 1. Policies which shall include constitutional mandates, if
9 any, statutory mandates, statutory authorizations, administrative
10 rules or policies of the affected agency reflected in internal
11 agency documents or agency practices;

12 2. All sources of funding received by the agency, inclusive of
13 federal funds, state appropriations, state-dedicated revenues, fee
14 revenue sources, the use of agency revolving funds or any other fund
15 or revenue source which is used to pay the expenses of the agency;

16 3. Management of the agency which shall include, but not be
17 limited to, its governance, capacity, divisions, programs, accounts,
18 information technology systems and policies and agency operations
19 which include objective analysis of the roles and functions of the
20 department; and

21 4. A schedule for implementation of agency-specific
22 recommendations.

1 D. Bills and resolutions introduced to implement any specific
2 recommendation of this report shall not be subject to filing
3 deadlines set by the Legislature.

4 SECTION 4. AMENDATORY Section 5, Chapter 325, O.S.L.
5 2017 (62 O.S. Supp. 2017, Section 8005), is amended to read as
6 follows:

7 Section 8005. A. ~~The~~ Unless otherwise directed by the
8 legislature, the state agency which has undergone an independent
9 comprehensive performance audit shall implement the recommendations
10 of the Agency Performance and Accountability Commission as concluded
11 from the independent comprehensive performance audit.

12 B. Not later than twelve (12) months after the completion of
13 the independent comprehensive performance audit, the Commission
14 shall review the implementation of the recommendations in the audit.

15 C. The Commission shall issue a report regarding the extent to
16 which the agency has or has not implemented the recommendations of
17 the audit. The follow-up report shall be submitted to the Governor,
18 President Pro Tempore of the Senate and Speaker of the House of
19 Representatives. The report shall be made publicly available on the
20 Oklahoma State Legislature's website and *documents.ok.gov*.

21 D. The state agency shall be required to provide an explanation
22 or justification for any failure to implement the recommendations of
23 an independent comprehensive performance audit.

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

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6 56-2-10470 LRB 04/25/18
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