

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL 2311

By: McCall of the House

and

Schulz of the Senate

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to public finance; creating the
10 Agency Performance and Accountability Act; providing
11 short title; creating the Agency Performance and
12 Accountability Commission; providing for appointments
13 to the Commission; providing for staff support;
14 requiring Commission to conduct certain audits;
15 defining term; requiring audit reports; authorizing
16 Commission to contract with certain entities; waiving
17 filing deadlines for certain bills; specifying duties
18 of agencies undergoing audits; providing for
19 codification; and declaring an emergency.

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

21 SECTION 1. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 8001 of Title 62, unless there
23 is created a duplication in numbering, reads as follows:

24 This act shall be known and may be cited as the "Agency
Performance and Accountability Act".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 8002 of Title 62, unless there
is created a duplication in numbering, reads as follows:

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

3 1. Three members appointed by the Governor:

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

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

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

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

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

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

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

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 8003 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

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

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

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

5 SECTION 4. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 8004 of Title 62, unless there
7 is created a duplication in numbering, reads as follows:

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

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

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

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

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

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

18 5. A schedule for implementation of agency-specific
19 recommendations.

20 D. Bills and resolutions introduced to implement any specific
21 recommendation of this report shall not be subject to filing
22 deadlines set by the Legislature.
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SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8005 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The state agency which has undergone an independent comprehensive performance audit shall implement the recommendations of the Agency Performance and Accountability Commission as concluded from the independent comprehensive performance audit.

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

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

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

SECTION 6. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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