

# An Act

ENROLLED HOUSE  
BILL NO. 3598

By: McCall of the House

and

Treat of the Senate

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.

SUBJECT: Agency Performance and Accountability Commission

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. Three members appointed by the Governor:

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

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

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

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

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

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

C. The Senate and the House of Representatives shall provide staff and administrative support to the Commission. The Commission shall contract with the Attorney General who shall provide legal advice on any matter related to the powers and duties of the Commission.

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

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

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

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

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

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

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

B. The Commission shall provide the results of each ICPA in a written report 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*.

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

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

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

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

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

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

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

Section 8005. A. ~~The~~ Unless otherwise directed by the Legislature, 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 5. 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.

Passed the House of Representatives the 2nd day of May, 2018.

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Presiding Officer of the House  
of Representatives

Passed the Senate the 3rd day of May, 2018.

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Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_