

1 **SENATE FLOOR VERSION**

2 April 12, 2017

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 HOUSE BILL NO. 2311

By: McCall of the House

and

Schulz, Daniels, Leewright  
and Dugger of the Senate

8  
9 COMMITTEE SUBSTITUTE

10 [ public finance - Agency Performance and  
11 Accountability Act - Agency Performance and  
12 Accountability Commission - codification -  
13 ~~emergency~~ ]

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

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

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

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

23 A. There is hereby created the Agency Performance and  
24 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.

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

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

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

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

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

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

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

22       C.   The independent comprehensive performance audit shall  
23 address but not be limited to the following topics:  
24

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

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

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

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

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

19        SECTION 5.        NEW LAW        A new section of law to be codified  
20 in the Oklahoma Statutes as Section 8005 of Title 62, unless there  
21 is created a duplication in numbering, reads as follows:

22        A. The state agency which has undergone an independent  
23 comprehensive performance audit shall implement the recommendations  
24

1 of the Agency Performance and Accountability Commission as concluded  
2 from the independent comprehensive performance audit.

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

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

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

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

19 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
20 April 12, 2017 - DO PASS AS AMENDED  
21  
22  
23  
24