

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SENATE BILL 1840

By: Dahm

AS INTRODUCED

An Act relating to audits; amending 74 O.S. 2021, Section 213, which relates to audits of public institutions; modifying allowable requestors of an audit; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 213, is amended to read as follows:

Section 213. A. It shall be the duty of the State Auditor and Inspector, or designee, to examine and report upon the books and financial accounts of the public, educational, charitable, penal and reformatory institutions belonging to the state; to prescribe and enforce correct methods of keeping financial accounts of the state institutions and instruct the proper officers thereof in the performance of their duties concerning the same; to examine the books and accounts of all public institutions under the control of the state at least once each year. Any officer of such public, educational, charitable, penal and reformatory institutions who shall refuse or willfully neglect to comply with such direction of

1 the State Auditor and Inspector within a reasonable time shall be  
2 guilty of a misdemeanor.

3 B. Each board of regents of institutions in The Oklahoma State  
4 System of Higher Education shall require a quality control review of  
5 the internal audit function required pursuant to subsection D of  
6 Section 3909 of Title 70 of the Oklahoma Statutes for each  
7 institution under its governance at least once every three (3)  
8 years. This review shall be in accordance with the "Quality  
9 Assurance Review Manual for Internal Auditing" developed by the  
10 Institute of Internal Auditors or any successor organization  
11 thereto. A copy of the report on the quality control review shall  
12 be filed with the State Auditor and Inspector.

13 C. 1. The State Auditor and Inspector shall perform a special  
14 audit on elementary, independent, and technology center school  
15 districts upon receiving a written request to do so by any of the  
16 following: the Governor, Attorney General, President Pro Tempore of  
17 the Senate, Speaker of the House of Representatives, State Board of  
18 Education, or the elementary, independent, or technology center  
19 school district board of education.

20 2. The State Auditor and Inspector shall perform a special  
21 audit on any institution of higher education within The Oklahoma  
22 State System of Higher Education whenever the State Auditor and  
23 Inspector deems it appropriate or upon receiving a written request  
24 to do so by any of the following: the Governor, the Attorney

1 General, the President Pro Tempore of the Senate, the Speaker of the  
2 House of Representatives, any elected member of the Legislature, the  
3 governing board of the institution of higher education, or the  
4 president of the institution of higher education.

5 3. The special audit shall include, but not necessarily be  
6 limited to, a compliance audit. Such audits shall be designed to  
7 review items for management's compliance with statutes, rules,  
8 policies and internal control procedures or other items applicable  
9 to each entity. The costs of any such audit shall be borne by the  
10 audited entity and may be defrayed, in whole or in part, by any  
11 federal funds available for that purpose.

12 D. In addition to any special audit conducted by the State  
13 Auditor and Inspector as provided for in subsection C of this  
14 section, the State Auditor and Inspector shall, contingent upon the  
15 availability of funding, perform a special audit, without notice, on  
16 not more than four common school districts each year. The special  
17 audit shall be in a form as determined by the State Auditor and  
18 Inspector.

19 E. The State Auditor and Inspector shall perform a special  
20 audit without notice on the office of any district attorney or on  
21 any division of the Department of Corrections upon receiving a  
22 written request to do so by any of the following: the Governor, the  
23 Attorney General, or joint request of the President Pro Tempore of  
24 the Senate and the Speaker of the House of Representatives. The

1 State Auditor and Inspector shall perform a special audit without  
2 notice on any penal institution, corrections program, contract for  
3 service or prison bed space provided to the Department of  
4 Corrections, or any program administered by a district attorney's  
5 office or staff of such office whenever the State Auditor and  
6 Inspector deems it appropriate or upon receiving a written request  
7 to do so by any of the following: the Governor, the Attorney  
8 General, or joint request of the President Pro Tempore of the Senate  
9 and the Speaker of the House of Representatives. The special audit  
10 shall include, but not necessarily be limited to, a compliance  
11 audit. Such audits shall be designed to review items for compliance  
12 with statutes, rules, policies and internal control procedures or  
13 other items applicable to each entity. The costs of any such audit  
14 shall be paid by the state agency and may be defrayed, in whole or  
15 in part, by any federal funds available for that purpose through any  
16 audited program.

17 SECTION 2. This act shall become effective November 1, 2022.  
18

19 58-2-3142 BG 1/20/2022 9:51:47 PM  
20  
21  
22  
23  
24  
25