

1 ENGROSSED HOUSE
2 BILL NO. 1690

By: Murdock, McBride and
Roberts (Dustin) of the
House

3
4 and

Leewright of the Senate

5
6
7 [state government - Independent Comprehensive
8 Performance Audit Act - requiring independent
9 comprehensive performance audits -

10 emergency]

11
12

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

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 452.21 of Title 74, unless there
16 is created a duplication in numbering, reads as follows:

17 This act shall be known and may be cited as the "Independent
18 Comprehensive Performance Audit Act".

19 SECTION 2. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 452.22 of Title 74, unless there
21 is created a duplication in numbering, reads as follows:

22 A. In keeping with accountability to the taxpayer, the
23 Legislative Service Bureau shall invest in independent comprehensive
24 performance audits.

1 B. The term "independent comprehensive performance audit"
2 (ICPA) includes, but is not limited to, a review and analysis of the
3 economy, efficiency, effectiveness and compliance of the policies,
4 management, fiscal affairs and operations of state agencies,
5 divisions, programs and accounts for the Legislature to implement
6 the best budgeting and policy-making practices for government
7 services to run in the most cost-effective way.

8 C. An independent comprehensive performance audit shall be
9 conducted in accordance with generally accepted government auditing
10 standards (GAGAS).

11 D. The independent comprehensive performance audit shall
12 address but not limited to the following topics:

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

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

22 3. Management of the agency which shall include, but not be
23 limited to, its governance, capacity, divisions, programs, accounts,
24 information technology systems and policies and agency operations

1 which include objective analysis of the roles and functions of the
2 department.

3 E. For each appropriated executive branch agency having total
4 General Revenue Fund appropriations for a fiscal year which rank the
5 agency in the highest twenty such agencies for that fiscal year, the
6 Legislative Service Bureau shall conduct an ICPA of any such agency
7 if the chief executive officer of the agency concludes his or her
8 term of office, dies, resigns from office, is removed from office or
9 otherwise ends his or her elected or appointed term of office.

10 F. The Legislative Service Bureau may contract with but shall
11 not be limited to the Office of the State Auditor and Inspector or
12 an outside firm in order to conduct the independent comprehensive
13 performance audit.

14 G. The independent comprehensive performance audit required by
15 this section shall be conducted no more than once each four (4)
16 years.

17 H. The Legislative Service Bureau may conduct a preliminary
18 risk assessment to determine if an independent comprehensive
19 performance audit is necessary.

20 I. The expense of the ICPA shall be paid from the funds of the
21 Legislative Service Bureau.

22 J. The Legislative Service Bureau shall initiate the
23 independent comprehensive performance audit immediately upon being
24 notified of the death, resignation or other vacancy by the

1 administrative head or chief executive officer of the agency. The
2 audit shall be completed not later than six (6) months after the
3 audit begins. If the Legislative Service Bureau determines that the
4 audit will not be completed within the six-month period, the
5 Legislative Service Bureau shall notify the Governor, the Speaker of
6 the Oklahoma House of Representatives, the President Pro Tempore of
7 the Oklahoma State Senate, the chairs and vice chairs of all House
8 and Senate appropriations and budget committees and subcommittees in
9 writing of the reason for the delay and the estimated amount of
10 additional time needed to complete the ICPA.

11 K. When the audit is complete, the Legislative Service Bureau
12 shall provide notice of such completion to the Governor, the Speaker
13 of the Oklahoma House of Representatives, the President Pro Tempore
14 of the Oklahoma State Senate, the chairs of the standing committees
15 of the respective chambers for appropriations and budget and to the
16 chair of each subcommittee of such standing committee, if
17 applicable. Copies of the audit shall be provided to any official
18 described by this subsection who requests it.

19 L. The committees identified above may hold special hearings
20 regarding the ICPA and any issues or exceptions contained in the
21 audit findings.

22 SECTION 3. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 452.23 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

1 A. The Legislative Service Bureau shall conduct a formal
2 presentation of the results of any independent comprehensive
3 performance audit (ICPA) required by Section 2 of this act at a
4 public hearing to be conducted within thirty (30) days after the
5 formal release of the audit and/or be at a date and time that is
6 most appropriate for the legislative schedule as possible.

7 B. The purpose of the public presentation shall be to inform
8 and advise the Governor, the Speaker of the Oklahoma House of
9 Representatives, the President Pro Tempore of the Oklahoma State
10 Senate and the chairs and vice chairs of all House and Senate
11 appropriations and budget committees and subcommittees, the state
12 agency which includes the head and division leaders audited and
13 other public officials about the recommendations in the ICPA which
14 shall include, but not be limited to, cost savings, efficiency,
15 effectiveness of policy and programs, improved budgeting and
16 appropriations process and practices, policymaking and any
17 recommendations for a different type or additional audit.

18 C. All members of the Legislature and the agency audited shall
19 be provided a specific notice of the date, time and location of the
20 public hearing with sufficient notice to be able to attend.

21 D. After the conclusion of the public hearing, the results of
22 the independent comprehensive performance audit and the public
23 hearing shall be submitted to the Governor, the Speaker of the
24 Oklahoma House of Representatives, the President Pro Tempore of the

1 Oklahoma State Senate, the chairs and vice chairs of the standing
2 committees and subcommittees responsible for appropriations and
3 budgets for both chambers of the Legislature and to each member of
4 those committees.

5 E. The committees identified above may hold special hearings
6 regarding the ICPA and any issues or exceptions contained in the
7 audit findings.

8 F. The Legislative Service Bureau shall cause the audit to be
9 accessible through an Internet website.

10 SECTION 4. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 452.24 of Title 74, unless there
12 is created a duplication in numbering, reads as follows:

13 A. The state agency which has undergone an independent
14 comprehensive performance audit shall implement the recommendations
15 of the Legislature as concluded from the independent comprehensive
16 performance audit.

17 B. Not later than twelve (12) months after the completion of
18 the independent comprehensive performance audit, the Legislative
19 Service Bureau shall review the implementation of the
20 recommendations in the audit.

21 C. The Legislative Service Bureau shall prepare a report
22 regarding the extent to which the agency has or has not implemented
23 the recommendations of the Legislature from the audit. The follow-
24 up report shall be submitted to the Governor, the Speaker of the

1 Oklahoma House of Representatives, the President Pro Tempore of the
2 Oklahoma State Senate, the chairs and vice chairs of the standing
3 committees and subcommittees of the Legislature on appropriations
4 and budget and to each of the members of such standing committees.

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

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

12 Passed the House of Representatives the 21st day of March, 2017.

13

14

Presiding Officer of the House
of Representatives

15

16

Passed the Senate the ____ day of _____, 2017.

17

18

19

Presiding Officer of the Senate

20

21

22

23

24