2nd Sub. H.B. 228
HEALTH INSURANCE PROVISIONS - INTERIM REVIEW

Senator **Gene Davis** proposes the following amendments:

1. Page 1, Line 9:   After "REPEALED" insert "; AND PERMITTING THE
                                   ASSISTANCE OF THE LEGISLATIVE AUDITOR GENERAL"

2. Page 1, Line 12:   After line 12 insert:
                                   "**36-12-15**, as last amended by Chapter 228, Laws of Utah 1992"

3. Page 2, Line 47
    Senate Committee Amendments
    Dated 2-10-2000:   After "insurance;" insert "and"

4. Page 2, Line 48
    Senate Committee Amendments
    Dated 2-10-2000:   After "provision" delete "; and" and insert "."

5. Page 2, Lines 49-52
    Senate Committee Amendments
    Dated 2-10-2000:   Delete lines 49 through 52 and insert:

                                   "(c) The committee may request through, and with the approval of,
                                   the Audit Subcommittee that the legislative auditor general
                                   perform, or otherwise assist in the performance of, the review
                                   described in Subsection (2)(b).

6. Page 2, Line 56
    Senate Committee Amendments
    Dated 2-10-2000:   After line 56 insert:
                                   "Section 2. Section **36-12-15** is amended to read:
                                         **36-12-15.   Office of Legislative Auditor General
                                   established -- Qualifications -- Powers, functions, and duties.**
                                         (1) There is created an Office of Legislative Auditor General
                                   as a permanent staff office for the Legislature.
                                         (2) The legislative auditor general shall be a licensed
                                   certified public accountant or certified internal auditor with at least
                                   five years' experience in the auditing or public accounting

profession, or the equivalent, prior to appointment.

(3) The legislative auditor general shall appoint and develop a professional staff within budget limitations.

(4) (a) The Office of the Legislative Auditor General shall exercise the constitutional authority provided in Article VI, Sec. 33, Utah Constitution.

(b) Under the direction of the legislative auditor general, the office shall:

(i) conduct comprehensive and special purpose audits, examinations, and reviews of any entity that receives public funds; and

(ii) prepare and submit a written report on each audit, examination, or review to the Legislative Management Committee, the audit subcommittee, and to all members of the Legislature within 75 days after the audit or examination is completed.

(5) The audit, examination, or review of any entity that receives public funds may include a determination of any or all of the following:

(a) the honesty and integrity of all its fiscal affairs;

(b) the accuracy and reliability of its financial statements and reports;

(c) whether or not its financial controls are adequate and effective to properly record and safeguard its acquisition, custody, use, and accounting of public funds;

(d) whether or not its administrators have faithfully adhered to legislative intent;

(e) whether or not its operations have been conducted in an efficient, effective, and cost efficient manner;

(f) whether or not its programs have been effective in accomplishing intended objectives; and

(g) whether or not its management control and information systems are adequate and effective.

(6) The Office of Legislative Auditor General may:

(a) obtain access to all records, documents, and reports of any entity that receives public funds necessary to the scope of its duties, according to the procedures contained in Title 36, Chapter 14;

(b) establish policies, procedures, methods, and standards of audit work for the office and staff;

(c) prepare and submit each audit report without interference from any source relative to the content of the report, the

conclusions reached in the report, or the manner of disclosing the results of his findings; and

      (d) prepare and submit the annual budget request for the office.

      (7) To preserve the professional integrity and independence of the office:

      (a) no legislator or public official may urge the appointment of any person to the office; and

      (b) the legislative auditor general may not be appointed to serve on any board, authority, commission, or other agency of the state during his term as legislative auditor general.

      (8) The following records in the custody or control of the legislative auditor general shall be protected records under Title 63, Chapter 2, Government Records Access and Management Act:

      (a) Records that would disclose information relating to allegations of personal misconduct, gross mismanagement, or illegal activity of a past or present governmental employee if the information or allegation cannot be corroborated by the legislative auditor general through other documents or evidence, and the records relating to the allegation are not relied upon by the legislative auditor general in preparing a final audit report.

      (b) Records and audit workpapers to the extent they would disclose the identity of a person who during the course of a legislative audit, communicated the existence of any waste of public funds, property, or manpower, or a violation or suspected violation of a law, rule, or regulation adopted under the laws of this state, a political subdivision of the state, or any recognized entity of the United States, if the information was disclosed on the condition that the identity of the person be protected.

      (c) Prior to the time that an audit is completed and the final audit report is released, records or drafts circulated to a person who is not an employee or head of a governmental entity for their response or information.

      (d) Records that would disclose an outline or part of any audit survey plans or audit program.

      (e) Requests for audits, if disclosure would risk circumvention of an audit.

      (f) The provisions of Subsections (a), (b), and (c) do not prohibit the disclosure of records or information that relate to a violation of the law by a governmental entity or employee to a government prosecutor or peace officer.

(g) The provisions of this section do not limit the authority otherwise given to the legislative auditor general to classify a document as public, private, controlled, or protected under Title 63, Chapter 2, Government Records Access and Management Act.

(9) The legislative auditor general shall:

(a) be available to the Legislature and to its committees for consultation on matters relevant to areas of his professional competence and shall perform, or otherwise assist in the performance of, a health insurance provision review as provided in Section 36-12-5;

(b) conduct special audits as requested by the Legislative Management Committee;

(c) report immediately in writing to the Legislative Management Committee through its audit subcommittee any apparent violation of penal statutes disclosed by the audit of a state agency and furnish to the Legislative Management Committee all information relative to the apparent violation;

(d) report immediately in writing to the Legislative Management Committee through its audit subcommittee any apparent instances of malfeasance or nonfeasance by a state officer or employee disclosed by the audit of a state agency; and

(e) make any recommendations to the Legislative Management Committee through its audit subcommittee with respect to the alteration or improvement of the accounting system used by any entity that receives public funds.

(10) (a) Prior to each annual general session, the legislative auditor general shall prepare a summary of the audits conducted and of actions taken based upon them during the preceding year.

(b) This report shall also set forth any items and recommendations that are important for consideration in the forthcoming session, together with a brief statement or rationale for each item or recommendation.

(c) The legislative auditor general shall deliver the report to the Legislature and to the appropriate committees of the Legislature.

(11) (a) No person or entity may:

(i) interfere with a legislative audit, examination, or review of any entity conducted by the office; or

(ii) interfere with the office relative to the content of the report, the conclusions reached in the report, or the manner of disclosing the results and findings of the office.

(b) Any person or entity that violates the provisions of this Subsection (11) is guilty of a class B misdemeanor. "