<b>£</b>	Approved f	or Fil	ing: J	.L.	Fellows	<b>¢</b>
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1	AUDIT OF STATE BUDGETS					
2	2006 GENERAL SESSION					
3	STATE OF UTAH					
4	Chief Sponsor: LaVar Christensen					
5 6	Senate Sponsor: Thomas V. Hatch					
7	LONG TITLE					
8	General Description:					
9	This bill requires the Office of Legislative Auditor General to review certain state entity					
10	budgets.					
11	Highlighted Provisions:					
12	This bill:					
13	<ul> <li>identifies the procedure for identifying entities to be reviewed;</li> </ul>					
14	<ul> <li>requires the Office of Legislative Auditor General to review entities and programs</li> </ul>					
15	as directed by the Legislative Audit Subcommittee;					
16	<ul> <li>directs submission of audit reports; and</li> </ul>					
17	<ul> <li>defines the responsibilities of the Office of Legislative Auditor General in</li> </ul>					
18	conducting those audits.					
19	Monies Appropriated in this Bill:					
20	As an ongoing appropriation subject to future budget constraints, this bill appropriates					
21	\$300,000 for fiscal year 2006-07 to the Office of Legislative Auditor General.					
22	Other Special Clauses:					
23	None					
24	<b>Utah Code Sections Affected:</b>					
25	ENACTS:					
26	<b>36-12-15.1</b> , Utah Code Annotated 1953					
27						



28	Be it enacted by the Legislature of the state of Utah:
29	Section 1. Section 36-12-15.1 is enacted to read:
30	36-12-15.1. Budgetary appropriation reviews.
31	(1) As used in this section, "entity" means each entity that receives an ongoing line
32	item appropriation in an appropriations act.
33	(2) The Office of Legislative Auditor General shall:
34	(a) dedicate a sufficient portion of its office resources to the regular ongoing audit and
35	review of state entity budgetary appropriations;
36	(b) conduct those reviews according to the process established for the Audit
37	Subcommittee created in Section 36-12-8;
38	(c) after release of the report by the Audit Subcommittee, submit the report to:
39	(i) each member of the Utah Senate and the Utah House of Representatives; and
40	(ii) the governor or the governor's designee;
41	(d) in consultation with the legislative fiscal analyst, summarize the findings of each
42	budgetary review in the Legislative Auditor General's Annual Report by identifying:
43	(i) base budget appropriation of the review agencies for the past five years; and
44	(ii) the reviewed agencies prior histories of savings and efficiencies.
45	(3) In performing budgetary reviews, the Office of Legislative Auditor General shall
46	study and determine the extent to which:
47	(a) the reviewed entity has efficiently and effectively utilized its appropriation;
48	(b) the entity has not grown in size, complexity, or cost beyond that which is justified;
49	<u>and</u>
50	(c) the entity's representatives have acted as diligent and responsible stewards of public
51	monies received from and entrusted by the taxpayers of this state.
52	(4) The Legislature, in evaluating an agency request for an increase in its base budget,
53	shall review the summary report required by this section and any relevant audits and consider
54	the agency request for an increase in its base budget in light of the agency's prior history of
55	savings and efficiencies as evidenced by those reports.
56	Section 2. Appropriation.
57	As an ongoing appropriation subject to future budget constraints, there is appropriated
58	\$300,000 from the General Fund for fiscal year 2006-07 to the Legislature - Office of

- 59 Legislative Auditor General to hire additional auditors to perform the audits required by this
- 60 <u>bill.</u>

## Legislative Review Note as of 1-26-06 8:06 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

## **State Impact**

This bill appropriates \$300,000 from the General Fund in FY 2007 to complete limited scoped audits required by the bill. These funds will be used to hire 4 FTE at the Legislative Auditor General's Office. State Agencies might have some fiscal impact as they comply with requests for information required during the audits.

	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2008</b>
	Approp.	Approp.	Revenue	Revenue
General Fund	\$300,000	\$300,000	\$0	\$0
TOTAL	\$300,000	\$300,000	\$0	\$0

**Individual and Business Impact** 

No fiscal impact.

Office of the Legislative Fiscal Analyst