

**Representative LaVar Christensen** proposes the following substitute bill:

**AUDIT OF STATE BUDGETS**

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: LaVar Christensen**

Senate Sponsor: Wayne L. Niederhauser

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**LONG TITLE**

**General Description:**

This bill requires the Office of Legislative Auditor General to audit certain state executive branch entities' budgets.

**Highlighted Provisions:**

This bill:

- ▶ requires the Office of Legislative Auditor General to audit entities in the executive branch as directed by the Legislative Audit Subcommittee;
- ▶ directs submission of audit reports; and
- ▶ defines the responsibilities of the Office of Legislative Auditor General in conducting those audits.

**Money Appropriated in this Bill:**

This bill appropriates:

- ▶ to Legislature - Office of the Legislative Auditor General, as an ongoing appropriation:
  - from the General Fund, \$300,000, subject to intent language stating that the appropriation be used to conduct certain audits.

**Other Special Clauses:**

None



26 **Utah Code Sections Affected:**

27 ENACTS:

28 **36-12-15.1**, Utah Code Annotated 195329 

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30 *Be it enacted by the Legislature of the state of Utah:*31 Section 1. Section **36-12-15.1** is enacted to read:32 **36-12-15.1. Budgetary appropriation audits.**33 (1) As used in this section, "entity" means an entity in the executive branch that34 receives a ongoing line item appropriation in an appropriations act.35 (2) The Office of Legislative Auditor General shall:36 (a) each year perform an audit of two ~~H~~→ or more ←~~H~~ entities' appropriations, in addition  
36a to other audits37 performed by the Office of Legislative Auditor General, that evaluates:38 (i) the extent to which the entity has efficiently and effectively used the appropriation39 by identifying:40 (A) the entity's appropriation history;41 (B) the entity's spending and efficiency history; and42 (C) historic trends in the entity's operational performance effectiveness;43 (ii) whether the entity's size and operation are commensurate with the entity's spending  
44 history; and45 (iii) whether the entity is diligent in its stewardship of state resources;46 (b) if possible, incorporate the audit methodology described in Subsection (2)(a) in  
47 other audits performed by the Office of Legislative Auditor General;48 (c) conduct the audits described in Subsection (2)(a) according to the process49 established for the Audit Subcommittee created in Section 36-12-8;50 (d) after release of an audit report by the Audit Subcommittee, make the audit report  
51 available to:52 (i) each member of the Senate and the House of Representatives; and53 (ii) the governor or the governor's designee; and54 (e) summarize the findings of an audit described in Subsection (2)(a) in:55 (i) a unique section of the legislative auditor general's annual report; and56 (ii) a format that the legislative fiscal analyst may use in preparation of the annual

57 appropriations no later than 30 days before the day on which the Legislature convenes.

58 (3) The Office of Legislative Auditor General shall consult with the legislative fiscal  
59 analyst in preparing the summary required by Subsection (2)(e).

60 (4) The Legislature, in evaluating an entity's request for an increase in its base budget,  
61 shall:

62 (a) review the audit report required by this section and any relevant audits; and

63 (b) consider the entity's request for an increase in its base budget in light of the  
64 agency's prior history of savings and efficiencies as evidenced by the audit report required by  
65 this section.

66 **Section 2. Appropriation.**

67 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
68 following sums of money are appropriated from resources not otherwise appropriated out of the  
69 funds or accounts indicated for the fiscal year beginning July 1, 2011 and ending June 30,  
70 2012. These are additions to amounts previously appropriated for fiscal year 2012.

71 To Legislature - Office of the Legislative Auditor General

72 From General Fund \$300,000

73 Schedule of Programs:

74 Administration \$300,000

75 The Legislature intends that the Legislative Auditor General use the appropriation to  
76 conduct the audits described in Section 36-12-15.1.

# FISCAL NOTE

H.B. 176 1st Sub. (Buff)

SHORT TITLE: **Audit of State Budgets**

SPONSOR: **Christensen, L.**

2011 GENERAL SESSION, STATE OF UTAH

## STATE GOVERNMENT (UCA 36-12-13(2)(b))

This bill will cost \$300,000 ongoing from the General Fund for the Office of the Legislative Auditor General to conduct the required audits. The bill carries its own appropriation.

### STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
Revenue	\$0	\$0	\$0
Expenditure:			
General Fund	\$0	\$300,000	\$300,000
Total Expenditure	\$0	\$300,000	\$300,000
Net Impact, All Funds (Rev.-Exp.)	\$0	(\$300,000)	(\$300,000)
Net Impact, General/Education Funds	\$0	(\$300,000)	(\$300,000)

## LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

## DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.