

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

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 1953



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 that
34 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 entities' appropriations, in addition to other audits
37 performed by the Office of Legislative Auditor General, that evaluates:

38 (i) the extent to which the entity has efficiently and effectively used the appropriation
39 by identifying:

40 (A) the entity's appropriation history;

41 (B) the entity's spending and efficiency history; and

42 (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; and

45 (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 process
49 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; and

53 (ii) the governor or the governor's designee; and

54 (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; and

56 (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.