

STATE AUDIT AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David G. Buxton

House Sponsor: James A. Dunnigan

LONG TITLE

General Description:

This bill modifies provisions on legislative budget and appropriation audits.

Highlighted Provisions:

This bill:

- ▶ authorizes the legislative auditor general to perform appropriation audits of executive branch entities and local education agencies; and
- ▶ clarifies requirements for audit content and procedures.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

36-12-15.1, as last amended by Laws of Utah 2015, Chapter 118

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **36-12-15.1** is amended to read:

36-12-15.1. Budget and appropriation audits.

(1) As used in this section, "entity" means:

(a) an entity in the executive branch that receives an ongoing line item appropriation in an appropriations act; and

(b) any local education agency, as defined in Section **53E-1-102**, that receives public

30 funds.

31 [~~(2) The Office of Legislative Auditor General shall:~~]

32 [~~(a) each year perform an audit of at least one entity's appropriations, in addition to~~
33 ~~other audits performed by the Office of Legislative Auditor General, that evaluates:]~~

34 (2) (a) Each year, subject to the availability of work capacity and the discretion of the
35 Legislative Audit Committee, the Office of Legislative Auditor General may, in addition to
36 other audits performed by the office, perform:

37 (i) an audit of one or more executive branch entity's appropriations; and

38 (ii) an audit of one or more local education agency's appropriations.

39 (b) An audit performed pursuant to Subsection (2)(a) shall, as is appropriate for each
40 individual audit:

41 (i) evaluate the extent to which the entity has efficiently and effectively used the
42 appropriation by identifying:

43 (A) the entity's appropriation history;

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

45 (C) historic trends in the entity's operational performance effectiveness;

46 (ii) evaluate whether the entity's size and operation are commensurate with the entity's
47 spending history; [~~and~~]

48 (iii) evaluate whether the entity is diligent in its stewardship of state resources;

49 (iv) provide an in-depth analysis review of the entity's operations performance
50 improvements;

51 [~~(b)~~] (v) if possible, incorporate the audit methodology [~~described in Subsection (2)(a)~~
52 ~~in~~] of other audits performed by the Office of Legislative Auditor General; and

53 [~~(c)~~] (vi) [~~conduct the audits described in Subsection (2)(a) according~~] be conducted
54 according to the process established for the Audit Subcommittee created in Section 36-12-8[;].

55 [~~(d) after release of~~] (c) After releasing an audit report [~~by~~] pursuant to Subsection
56 (2)(a), the Audit Subcommittee[;] shall make the audit report available to:

57 (i) each member of the Senate and the House of Representatives; and

58 (ii) the governor or the governor's designee[; and].
59 [~~(e)~~] (d) The Office of Legislative Auditor General shall summarize the findings of an
60 audit described in Subsection (2)(a) in:
61 (i) a unique section of the legislative auditor general's annual report; and
62 (ii) a format that the legislative fiscal analyst may use in preparation of the annual
63 appropriations no later than 30 days before the day on which the Legislature convenes.
64 (3) The Office of Legislative Auditor General shall consult with the legislative fiscal
65 analyst in preparing the summary required by Subsection (2)[~~(e)~~](d).
66 (4) The Legislature, in evaluating an entity's request for an increase in its base budget,
67 shall:
68 (a) review the audit report required by this section and any relevant audits; and
69 (b) consider the entity's request for an increase in its base budget in light of the entity's
70 prior history of savings and efficiencies as evidenced by the audit report required by this
71 section.