

HOUSE BILL NO. 519

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

IN THE HOUSE

January 27, 1981	Introduced and referred to Committee on State Administration.
February 5, 1981	Committee recommend bill do pass as amended. Report adopted.
February 6, 1981	Bill printed and placed on members' desks.
February 7, 1981	Second reading, do pass.
February 9, 1981	Correctly engrossed.
February 11, 1981	Third reading, passed. Yeas, 97; Nays, 0. Transmitted to Senate.

IN THE SENATE

February 12, 1981	Introduced and referred to Committee on Finance and Claims.
February 17, 1981	Committee recommend bill be concurred in. Report adopted.
February 19, 1981	Second reading, concurred in.
February 21, 1981	Third reading, concurred in. Yeas, 46; Nays, 3.

IN THE HOUSE

February 23, 1981	Returned from Senate. Concurred in. Sent to enrolling. Reported correctly enrolled.
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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR AUDIT
6 COSTS IN THE EXECUTIVE BUDGET RECOMMENDATIONS TO THE
7 LEGISLATURE; REQUIRING TRANSFER OF FUNDS FOR AUDITS TO THE
8 LEGISLATIVE AUDITOR; REQUIRING THAT CONTRACTS FOR AUDIT
9 SERVICES BE APPROVED BY THE LEGISLATIVE AUDITOR; CREATING AN
10 AUDIT ACCOUNT IN THE REVOLVING FUND AND PROVIDING FOR
11 DEPOSIT AND EXPENDITURE OF MONEY THEREIN; AND PROVIDING FOR
12 NOTATION OF AUDIT RECOMMENDATION IMPLEMENTATION COSTS."
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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Section 1. Definitions. As used in [this act], the
16 following definitions apply:

17 (1) "Agency" means each state office, department,
18 division, board, commission, council, committee,
19 institution, university system unit, or other entity or
20 instrumentality of the executive branch, office of the
21 judicial branch, or office of the legislative branch of
22 state government.

23 (2) "University system unit" means the board of
24 regents or its units.

25 (3) "Audit services" means financial compliance post

1 audits.
2 Section 2. Audit costs. Prior to July 1 of each
3 even-numbered year, the legislative auditor shall advise
4 each agency and the budget director of the estimated audit
5 costs for the following biennium. Each agency shall include
6 the estimated audit costs in its proposed budget submitted
7 to the budget director pursuant to 17-7-112. The budget
8 director shall notify the legislative auditor if the
9 executive budget recommendation to the legislature for audit
10 costs differs from that proposed by the legislative auditor.
11 Not later than 60 days after adjournment of each
12 legislature, the budget director shall provide to the
13 legislative auditor a schedule reflecting, by fund, amounts
14 appropriated to each agency for audit costs. The legislative
15 auditor shall bill agencies for audit services as he
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17 bill an agency for audit services in excess of amounts
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19 services may be provided by the legislative auditor at a
20 cost agreed to by an agency and billed to the agency.

21 Section 3. Legislative auditor to approve contracts
22 for audit services. No state agency may contract for audit
23 services without the approval of the legislative auditor.

24 Section 4. Audit revolving account -- appropriation
25 and expenditures. All money for audits transferred to the

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1 legislative auditor as provided in [section 2] must be
2 deposited in the revolving fund in the state treasury to the
3 credit of the office of the legislative auditor. The money
4 so deposited is hereby appropriated and may be expended by
5 the legislative auditor to pay expenses incurred in auditing
6 state agencies pursuant to an operational plan approved by
7 the legislative audit committee.

8 Section 5. Audit recommendation implementation costs.
9 Whenever significant costs are associated with the
10 implementation of audit recommendations, the legislative
11 auditor shall, if practicable, note this fact and the
12 estimated amount of such costs in the appropriate audit
13 report.

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Approved by Committee
on State Administration

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