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.
Pebruary 7, 1981	Second reading, do pass.
February 9, 1931	Correctly engrossed.
February 11, 1981	Third reading, passed. Yeas, 97; Nays, O. Transmitted to Senate.
IN THE S	ENATE
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.
Pebruary 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.

	HOUSE BILL NO. 519	
INTRODUCED BY	Sulmone	

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A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR AUDIT COSTS IN THE EXECUTIVE BUDGET RECOMMENDATIONS TO THE LEGISLATURE; REQUIRING TRANSFER OF FUNDS FOR AUDITS TO THE LEGISLATIVE AUDITOR; REQUIRING THAT CONTRACTS FOR AUDIT SERVICES BE APPROVED BY THE LEGISLATIVE AUDITOR; CREATING AN AUDIT ACCOUNT IN THE REVOLVING FUND AND PROVIDING FOR DEPOSIT AND EXPENDITURE OF MONEY THEREIN; AND PROVIDING FOR NOTATION OF AUDIT RECOMMENDATION IMPLEMENTATION COSTS."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

- (1) "Agency" means each state office, department, division, board, commission, council, committee, institution, university system unit, or other entity or instrumentality of the executive branch, office of the judicial branch, or office of the legislative branch of state government.
- 23 (2) "University system unit" means the board of 24 regents or its units.
 - (3) "Audit services" means financial compliance post

. audits.

Section 2. Audit costs. Prior to July 1 of each 2 even-numbered year, the legislative auditor shall advise 3 each agency and the budget director of the estimated audit costs for the following biennium. Each agency shall include the estimated audit costs in its proposed budget submitted 7 to the budget director pursuant to 17-7-112. The budget director shall notify the legislative auditor if the executive budget recommendation to the legislature for audit costs differs from that proposed by the legislative auditor. 10 later than 60 days after adjournment of each 11 12 legislature, the budget director shall provide to the legislative auditor a schedule reflecting, by fund, amounts 13 14 appropriated to each agency for audit costs. The legislative auditor shall bill agencies for audit services as he 15 considers necessary. In no event may the legislative auditor 16 bill an agency for audit services in excess of amounts 17 18 appropriated for audit services. Additional audit related 19 services may be provided by the legislative auditor at a 20 cost agreed to by an agency and billed to the agency.

Section 3. Legislative auditor to approve contracts
for audit services. No state agency may contract for audit
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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legislative auditor as provided in [section 2] must be 1 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.

Approved by Committee on State Administration

	11003£ STEE NO. 317
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3	BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE
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24	the approval of the legislative auditor.

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Section 4. Audit revolving account -- appropriation

-2-

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

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

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