

MAINE STATE LEGISLATURE

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R of S.

L.D. 1774

DATE: 3/7/96

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APPROPRIATIONS AND FINANCIAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1292, L.D. 1774, Bill, "An Act to Improve and Expand the Functions of the Department of Audit"

Amend the bill in section 1 in that part designated "§244." in the first paragraph in the 10th line from the end (page 1, line 25 in L.D.) by striking out the following: "corrected" and inserting in its place the following: 'addressed'

Further amend the bill in section 1 in that part designated "§244." in the first paragraph in the 8th line from the end (page 1, line 27 in L.D.) by inserting after the following: "confirm the" the following: 'status of the'

Further amend the bill by inserting after section 3 the following:

Sec. 4. Examination of financial reporting capabilities within the Bureau of Accounts and Control. The Department of Audit shall examine staffing levels in the Department of Administrative and Financial Services, Bureau of Accounts and Control as they relate to financial reporting. The Department of Audit shall submit its findings and recommendations, including any necessary implementing legislation, to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs no later than December 1, 1996.

Sec. 5. Effective date. Those sections of this Act that amend the Maine Revised Statutes, Title 5, section 244 and enact Title 5, section 244-B take effect January 1, 1997.'

COMMITTEE AMENDMENT

R. of S.

2 Further amend the bill by inserting at the end before the
statement of fact the following:

4
6 **FISCAL NOTE**

8 The Department of Audit may incur additional costs
associated with management audits, system reviews and audits of
10 other departments and agencies. The additional costs and
required personnel will depend on the number and size of the
12 audits to be undertaken as determined by the Joint Standing
Committee on Appropriations and Financial Affairs. The State
14 Auditor has estimated that the cost of a special audit, resulting
primarily from staff time, could range from \$5,000 for a basic
16 review of a simple financial issue to \$150,000 for a extensive
review of a large financial system.

18 Costs associated with preparing a proposal to consolidate
all audit functions within State Government under the State
20 Auditor and submitting this proposal to the Joint Standing
22 Committee on Appropriations and Financial Affairs no later than
December 1, 1996 can be absorbed by the Department of Audit
24 utilizing existing budgeted resources.

26 **STATEMENT OF FACT**

28 This amendment clarifies the State Auditor's
30 responsibilities after reporting evidence of material weaknesses
or reportable conditions, authorizes the Department of Audit to
32 examine certain staffing levels in the Bureau of Accounts and
Control, makes the statutory changes effective January 1, 1997
34 and adds a fiscal note.