

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

---

Legislative Document

No. 2004

H.P. 1399

House of Representatives, March 23, 1999

### An Act to Clarify the Duties of the State Auditor.

---

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative BUMPS of China.  
Cosponsored by Representative AHEARNE of Madawaska.

Be it enacted by the People of the State of Maine as follows:

2  
3           **Sec. 1. 5 MRSA §243**, as amended by PL 1989, c. 857, §§16 and  
4 17, is further amended to read:

6           **§243. Powers and duties**

8           The Department of Audit ~~shall have~~ has authority:

10           **1. Audit.** To ~~perform a postaudit of~~ audit all accounts and  
11 other financial records of the State Government or any department  
12 or agency ~~thereof of State Government~~, including the judiciary  
13 and the Executive Department of the Governor, except the  
14 Governor's Expense Account, and to report annually on this audit,  
15 and at such other times as the Legislature may require;

16           **2. Counties.** To ~~install uniform accounting systems and~~  
17 perform annual ~~postaudits~~ audits of all accounts and other  
18 financial records of the several counties or any departments or  
19 agencies thereof, the expenses of such audits to be paid by the  
20 counties ~~and reports.~~ Reports of such audits ~~shall~~ must  
21 accompany the county estimates submitted to the Legislature as  
22 provided by Title 30-A, chapter 3, subchapter I, and ~~shall~~ must  
23 be published in the county reports next following the completion  
24 of such audits;

25           **3. Municipalities.** To ~~install uniform accounting systems~~  
26 and perform audits for cities, towns and villages as required by  
27 Title 30-A, sections 5821 to 5823. The rate charged by the  
28 department to perform audits must include the proportional amount  
29 of the State Auditor's duties and be used to offset the General  
30 Fund costs of the State Auditor;

31           **3-A. Municipal cost component.** To ~~install uniform~~  
32 ~~accounting systems and~~ no later than February 1st following  
33 the end of each fiscal year, to ensure that an annual audit and  
34 ~~postaudit~~ of the municipal cost component and the Unorganized  
35 Territory Education and Services Fund in Title 36, chapter 115 is  
36 conducted. The expenses of these services are part of the  
37 municipal cost component and are paid out of the Unorganized  
38 Territory Education and Services Fund;

39           **4. ~~Accounting systems; probation officers.~~** To ~~install~~  
40 ~~uniform accounting systems and perform postaudits for probation~~  
41 ~~officers, the expenses of such audits to be paid as follows: 50%~~  
42 ~~by the county where the audit is performed, 30% by the Department~~  
43 ~~of Transportation and 20% by the Department of Inland Fisheries~~  
44 ~~and Wildlife;~~

2 5-A. Budget and program review. To review and study  
departmental budgets and capital programs for better and  
efficient management of State Government.;  
4

6 5-B. Dedicated funds. To review and study expenditures of  
the dedicated funds of independent boards and commissions.;

8 6. Staff agency. To serve as a staff agency to the  
Legislature, or any of its committees, or to the Governor in  
10 making investigations of any phase of the state's State's  
finances.;  
12

14 7. Reports. To report its findings, with recommendations,  
on any review or study to the Legislature.;

16 8. Audit. To perform ~~postaudits~~ audits of all accounts and  
financial records of any organization, institution or other  
18 entity receiving or requesting an appropriation or grant from the  
State Government and to issue reports on such audits at such  
20 times as the Legislature or the State Auditor may require.; and

22 9. Single audit. To conduct financial and compliance  
audits of financial transactions and accounts kept by or for all  
state agencies subject to the Single Audit Act Amendments of  
1996, 31 United States Code, Sections 7501 to 7507 (1998). The  
audits must be conducted in accordance with generally accepted  
governmental auditing standards.  
28

30 Sec. 2. 5 MRSA §244, as amended by PL 1995, c. 651, §1 and  
affected by §5, is further amended to read:

32 **§244. Records and reports**

34 The State Auditor keeps no accounts in the Department of  
Audit, but shall ~~conduct--a--continuous--postaudit--of~~ audit the  
36 accounts, books, records and other evidences of financial  
transactions kept in the Department of Financial and  
38 Administrative Services or in the other departments and agencies  
of the State Government. The State Auditor shall prepare and  
40 publish a report for each fiscal year, setting forth the  
essential facts of such audits in summary form, within the  
42 following fiscal year after the books of the State Controller  
have been officially closed. If the State Auditor finds in the  
44 course of an audit evidences of material weaknesses, reportable  
conditions, improper transactions, or of incompetence in keeping  
46 accounts or handling funds or of any other improper practice of  
financial administration, the State Auditor shall report the same  
48 to the Governor and the Legislature immediately. After reporting  
evidence of material weaknesses or reportable conditions, the  
50 State Auditor shall provide for subsequent review to ensure that

2 those conditions are addressed in a timely manner and report to  
the Governor and the Legislature to confirm the status of the  
4 correction of those conditions. If the State Auditor finds  
evidences of illegal transactions, the State Auditor shall  
6 immediately report those transactions both to the Governor and to  
the Attorney General. All such evidences must be included in the  
8 annual reports of the State Auditor and the State Auditor may, at  
the State Auditor's discretion, make them public at any time  
during the fiscal year.

10

12

14

## SUMMARY

16 This bill makes the following changes to the law governing  
the duties of the State Auditor.

18

1. It provides that the Department of Audit has authority  
to conduct financial and compliance audits of financial  
20 transactions and accounts kept by or for all state agencies  
subject to the federal Single Audit Act Amendments of 1996.

22

2. It deletes the department's authority to install uniform  
24 accounting systems in counties and municipalities.

26

3. It deletes the department's authority to install uniform  
accounting systems and perform postaudits for probation officers.

28

4. It removes references to "postaudits" to more accurately  
30 describe the work performed by the department.