

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1429

H.P. 1048

House of Representatives, March 25, 2003

An Act To Authorize the Department of Audit To Perform Other Audits and Reviews

Submitted by the Department of Audit pursuant to Joint Rule 204.
Reference to the Committee on State and Local Government suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McLAUGHLIN of Cape Elizabeth.

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

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4 **Sec. 1. 5 MRSA §243, sub-§2**, as amended by PL 1999, c. 208, §1, is further amended to read:

6 **2. Counties.** To perform annual audits of all accounts and
8 other financial records of the several counties or any
10 departments or agencies thereof, the expenses of such audits to
12 be paid by the counties. ~~Reports of such audits must accompany
the county estimates submitted to the Legislature as provided by
Title 30-A, chapter 3, subchapter I, and must be published in the
county reports next following the completion of such audits;~~

14 **Sec. 2. 5 MRSA §243-A**, as enacted by PL 2001, c. 104, §1, is
16 amended to read:

18 **§243-A. Random audits and inspections of state programs**

20 In addition to the powers and duties specified in section
22 243, the Department of Audit shall conduct random audits,
24 inquiries, management analyses or inspections of operations of
26 state programs or other research to sample the accuracy of the
28 financial records and operations of those departments and
30 agencies that administer or oversee the programs and report to
32 the joint standing committees of the Legislature having
jurisdiction over state and local government matters and
appropriations and financial affairs no later than January 15,
2002 and no later than January 15th of each year thereafter on
the random auditing of state programs. The report must include
at a minimum the number of random audits inquiries, management
analyses or inspections conducted, the programs audited and an
assessment of findings and recommendations resulting from the
additional audits.

34 **Sec. 3. 5 MRSA §244**, as amended by PL 1999, c. 208, §2, is
36 further amended to read:

38 **§244. Records and reports; findings of improper practices**

40 The State Auditor ~~keeps no accounts in the Department of~~
42 Audit may not perform the accounting functions for the State, but
44 shall audit the accounts, books, records and other evidences of
46 financial transactions kept in the Department of Financial and
48 Administrative Services or in the other departments and agencies
of State Government. The State Auditor shall prepare and publish
a report for each fiscal year, setting forth the essential facts
of such audits in summary form, within the following fiscal year
after the books of the State Controller have been officially
closed. If the State Auditor finds in the course of an audit
50 evidences of ~~material weaknesses, reportable conditions,~~ improper

2 transactions, or of ineompetenee unacceptable practices in
keeping accounts or handling funds or of any other improper
4 practice of financial administration, the State Auditor shall
report the same to the Governor and the Legislature immediately.
6 After reporting evidence of material weaknesses or reportable
conditions, the State Auditor shall provide for subsequent review
8 to ensure that those conditions are addressed in a timely manner
and report to the Governor and the Legislature to confirm the
10 status of the correction of those conditions. If the State
Auditor finds evidences of illegal transactions, the State
Auditor shall immediately report those transactions both to the
12 Governor and to the Attorney General. All such evidences must be
included in the annual reports of the State Auditor and the State
14 Auditor may, at the State Auditor's discretion, make them public
at any time during the fiscal year.

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SUMMARY

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This bill:

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1. Eliminates outdated language referring to county
estimates;

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2. Changes the duties of the Department of Audit by
requiring the department to conduct inquiries, management
analysis, inspections of operations of state programs or other
28 research; and

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3. Clarifies that the State Auditor does not perform
accounting functions for the State and the type of improper
accounting actions that must be reported to the Governor and
Legislature by the State Auditor.