

SPONSOR STATEMENT

Senate Bill 213

Legislative Audit Division Powers

This bill clarifies the scope and authority of the Legislative Audit Division. This clarification is necessary because of differing opinions currently being debated. The current director of Legislative Audit believes the division only has audit authority for state organizations. Senator Dyson, on the other hand, believes that Legislative Audit also has (and should have) the authority to audit any organization or function that utilizes state or public funds that are administered by state departments.

In the past, the Legislature has requested the division to conduct audits as a result of allegations that non-profit organizations were "steering grants" to family members. At other times, the Legislature requested audits because of allegations that grantees failed to follow state policy. The director of the Legislative Audit Division contends that the division does not have authority to audit non-state organizations.

There are also differing legal opinions on this subject. SB 213 would remove this ambiguity. Passage of this bill will make it clear that the Legislature has the power to direct the Legislative Audit Division, and when so directed the Legislative Audit Division has the authority, to audit not only state agencies, but any organization or function that utilizes public funds.

SENATOR FRED DYSON

Contact: Lucky Shultz
(907) 465-2199

February 15, 2007