



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5158 (Substitute S-3 as reported by the Committee of the Whole)

Sponsor: Representative Anthony G. Forlini

House Committee: Oversight, Reform, and Ethics

Senate Committee: Reforms, Restructuring and Reinventing

CONTENT

The bill would amend the Management and Budget Act to require a procurement contract for services, or a person receiving a grant of State funds, to permit the Department of Technology, Management, and Budget (DTMB) or its designee to audit the vendor or the grantee for compliance, beginning January 1, 2013.

Specifically, if a State agency entered into a procurement contract for services, the contract would have to permit the DTMB or its designee to audit the vendor to verify compliance with the contract. The associated financial and accounting records would have to be made available to the DTMB or its designee and the Auditor General, upon request, during the term of the contract and any extension of it, and for three years after the expiration date or final payment under the contract, whichever was later.

If a person received a grant of State funds, the person would have to agree to allow the DTMB or its designee to audit the person to verify compliance with the terms of the grant. The person also would have to agree that the financial and accounting records associated with the grant would be made available to the DTMB or its designee and the Auditor General, upon request, during the term of the grant and any extension of it, and for three years after the expiration date or final payment under the grant, whichever was later.

The Department and its designee could not audit any matters outside the scope of the individual contract or the individual grant, as applicable, unless there were a separate constitutional or statutory basis for that audit.

Proprietary financial and accounting data and records associated with the contract or grant would be exempt from disclosure under the Freedom of Information Act.

Nothing in the bill would limit the constitutional or statutory authority of the Auditor General.

Proposed MCL 18.1470

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The Department states that it does not anticipate any additional costs to the State for compliance with the bill's provisions.

Date Completed: 6-13-12

Fiscal Analyst: Joe Carrasco

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Bill Analysis @ www.senate.michigan.gov/sfa

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