

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5158 (Substitute H-1 as passed by the House)
Sponsor: Representative Anthony G. Forlini
House Committee: Oversight, Reform, and Ethics
Senate Committee: Reforms, Restructuring and Reinventing

Date Completed: 4-17-12

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 designees to audit the vendor or the grantee for compliance, and make associated records available during the term of the contract or grant and for three years following the expiration date or final payment.

These requirements would apply 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 designees to audit the vendor to verify compliance with the contract, and require the associated financial and accounting records to be made available to the DTMB, its designees, 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 designees 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, its designees, 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 designees could not audit any matters outside the scope of the contract or the grant, as applicable.

("Auditor general" would mean the Auditor General or a certified public accounting firm selected by the Auditor General to conduct an audit.)

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.

Fiscal Analyst: Joe Carrasco

S1112\5158sa.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.