

SUBSTITUTE FOR
HOUSE BILL NO. 5158

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
(MCL 18.1101 to 18.1594) by adding section 470.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 470. (1) BEGINNING JANUARY 1, 2013, IF A STATE AGENCY
2 ENTERS INTO A PROCUREMENT CONTRACT FOR SERVICES, THE CONTRACT SHALL
3 PROVIDE THAT THE DEPARTMENT OR ITS DESIGNEES MAY AUDIT THE VENDOR
4 TO VERIFY COMPLIANCE WITH THE CONTRACT AND THAT THE FINANCIAL AND
5 ACCOUNTING RECORDS ASSOCIATED WITH THE CONTRACT SHALL BE MADE
6 AVAILABLE TO THE DEPARTMENT, ITS DESIGNEES, AND THE AUDITOR
7 GENERAL, UPON REQUEST, DURING THE TERM OF THE CONTRACT AND ANY
8 EXTENSION OF THE CONTRACT AND FOR 3 YEARS AFTER THE LATER OF THE
9 EXPIRATION DATE OR FINAL PAYMENT UNDER THE CONTRACT. THE DEPARTMENT
10 AND ITS DESIGNEES SHALL NOT AUDIT ANY MATTERS OUTSIDE THE SCOPE OF

1 THE CONTRACT.

2 (2) BEGINNING JANUARY 1, 2013, IF A PERSON RECEIVES A GRANT OF
3 STATE FUNDS, THE PERSON SHALL AGREE TO ALLOW THE DEPARTMENT OR ITS
4 DESIGNEES TO AUDIT THE PERSON TO VERIFY COMPLIANCE WITH THE TERMS
5 OF THE GRANT. THE PERSON SHALL ALSO AGREE THAT THE FINANCIAL AND
6 ACCOUNTING RECORDS ASSOCIATED WITH THE GRANT SHALL BE MADE
7 AVAILABLE TO THE DEPARTMENT, ITS DESIGNEES, AND THE AUDITOR
8 GENERAL, UPON REQUEST, DURING THE TERM OF THE GRANT AND ANY
9 EXTENSION OF THE GRANT AND FOR 3 YEARS AFTER THE LATER OF THE
10 EXPIRATION DATE OR FINAL PAYMENT UNDER THE GRANT. THE DEPARTMENT
11 AND ITS DESIGNEES SHALL NOT AUDIT ANY MATTERS OUTSIDE THE SCOPE OF
12 THE GRANT.

13 (3) AS USED IN THIS SECTION, "AUDITOR GENERAL" MEANS THE
14 AUDITOR GENERAL OR A CERTIFIED PUBLIC ACCOUNTING FIRM SELECTED BY
15 THE AUDITOR GENERAL TO CONDUCT THE AUDIT.