

Act No. 230  
Public Acts of 2012  
Approved by the Governor  
June 26, 2012  
Filed with the Secretary of State  
June 29, 2012  
EFFECTIVE DATE: June 29, 2012

**STATE OF MICHIGAN**  
**96TH LEGISLATURE**  
**REGULAR SESSION OF 2012**

Introduced by Reps. Forlini and Poleski

# **ENROLLED HOUSE BILL No. 5158**

AN ACT to amend 1984 PA 431, entitled "An act to prescribe the powers and duties of the department of management and budget; to define the authority and functions of its director and its organizational entities; to authorize the department to issue directives; to provide for the capital outlay program; to provide for the leasing, planning, constructing, maintaining, altering, renovating, demolishing, conveying of lands and facilities; to provide for centralized administrative services such as purchasing, payroll, record retention, data processing, and publishing and for access to certain services; to provide for a system of internal accounting and administrative control for certain principal departments; to provide for an internal auditor in certain principal departments; to provide for certain powers and duties of certain state officers and agencies; to codify, revise, consolidate, classify, and add to the powers, duties, and laws relative to budgeting, accounting, and the regulating of appropriations; to provide for the implementation of certain constitutional provisions; to create funds and accounts; to make appropriations; to prescribe remedies and penalties; to rescind certain executive reorganization orders; to prescribe penalties; and to repeal certain acts and parts of acts," (MCL 18.1101 to 18.1594) by adding section 470.

*The People of the State of Michigan enact:*

Sec. 470. (1) Beginning January 1, 2013, if a state agency enters into a procurement contract for services, the contract shall provide that the department or its designee may audit the vendor to verify compliance with the contract. The financial and accounting records associated with the contract shall be made available to the department or its designee and the auditor general, upon request, during the term of the contract and any extension of the contract and for 3 years after the later of the expiration date or final payment under the contract. The department and its designee shall not audit any matters outside the scope of the individual contract unless there is a separate constitutional or statutory basis for that audit.

(2) Beginning January 1, 2013, if a person receives a grant of state funds, the person shall agree to allow the department or its designee to audit the person to verify compliance with the terms of the grant. The person shall also agree that the financial and accounting records associated with the grant shall be made available to the department or its designee and the auditor general, upon request, during the term of the grant and any extension of the grant and for 3 years after the later of the expiration date or final payment under the grant. The department and its designee shall not audit any matters outside the scope of the individual grant unless there is a separate constitutional or statutory basis for that audit.

(3) Proprietary financial and accounting data and records associated with the contract or grant shall be exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

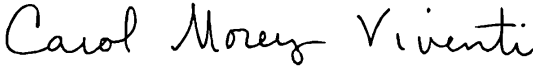
(4) Nothing in this section shall limit the constitutional or statutory authority of the auditor general.

(5) As used in this section, "auditor general" means the auditor general or a certified public accounting firm selected by the auditor general to conduct the audit.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor