

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Bill No. 271, Page 1, Section A, Line 2, by inserting immediately after said line the
2 following:

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4 "29.200. 1. Except as provided under subsection 2 of this section, all audits conducted under this
5 chapter may be made at the discretion of the auditor without advance notice to the organization being audited.
6 An audit also shall be conducted upon the request of the governor as provided under section 26.060, and the
7 expenses for any such audit conducted upon the request of the governor shall be paid as provided in section
8 26.090.

9 2. The auditor, on his or her initiative and as often as he or she deems necessary, to the extent deemed
10 practicable and consistent with the overall responsibility as contained in this chapter, shall make or cause to be
11 made audits of all or any part of the activities of the state agencies.

12 3. The auditor shall make, or cause to be made, audits of all or any parts of political subdivisions and
13 other entities as authorized in this chapter or any other law of this state.

14 4. In selecting audit areas and in evaluating current audit activity, the auditor may, at his or her
15 discretion, consider and utilize, in whole or in part, the relevant audit coverage and applicable reports of the
16 audit staffs of the various state agencies, independent contractors, and federal agencies.

17 5. The auditor shall be authorized to contract with federal audit agencies, or any governmental
18 agency, on a cost-reimbursement basis, to perform audits of federal grant programs administered by the state
19 departments and institutions in accordance with agreements negotiated between the auditor and the
20 contracting federal audit agencies or any governmental agency. In instances where the grantee state agency
21 shall subgrant such federal funds to local governments, regional councils of government, other local groups,
22 or private or semiprivate institutions or agencies, the auditor shall have the authority to examine the books and
23 records of these subgrantees to the extent necessary to determine eligibility and proper use in accordance with
24 state and federal laws and regulations. The auditor shall charge and collect from the contracting federal audit
25 agencies, or any governmental agencies, the actual cost of all the audits of the grants and programs that are
26 conducted by the auditor under the contract. Amounts collected under these arrangements shall be deposited
27 into the state treasury and be credited to the state auditor-federal fund and shall be available to hire sufficient
28 personnel to perform these contracted audits and to pay for related travel, supplies, and other necessary
29 expenses.

30 6. In the auditor's reports of audits and reports of special investigations, the auditor shall make any
31 comments, suggestions, or recommendations deemed appropriate concerning any aspect of such agency's
32 activities and operations.

33 7. The auditor shall audit the state treasury at least once annually.

34 8. The auditor may examine the banking accounts and records of the state treasurer, state agency, or
35 any political subdivision at any bank or financial institution provided that the bank or financial institution
36 shall not be required to produce the requested accounts or records until the auditor, treasurer, state agency, or
37 political subdivision reimburses the reasonable document production costs of the bank or financial institution.

38 9. The auditor may, as often as the auditor deems necessary, conduct a detailed review of the
39 bookkeeping and accounting systems in use in the various state agencies that are supported partially or
40 entirely by state funds. Such examinations shall be for the purpose of evaluating the adequacy of systems in

Action Taken _____ Date _____

1 use by such agencies. In instances where the auditor determines that existing systems are outmoded,
2 inefficient, or otherwise inadequate, the auditor shall recommend changes to the state agency and notify the
3 general assembly of the recommended changes.

4 10. The auditor shall, through appropriate tests, determine the propriety of the data presented in the
5 state comprehensive annual financial report, and shall express the auditor's opinion in accordance with
6 generally accepted government auditing standards.

7 11. The auditor shall provide a report to the governor, attorney general, and other appropriate officials
8 of facts in the auditor's possession which pertain to the apparent violation of penal statutes or apparent
9 instances of malfeasance, misfeasance, or nonfeasance by an officer or employee.

10 12. At the conclusion of an audit, the auditor or the auditor's designated representative shall supply a
11 copy of a draft report of the audit to, and discuss such draft with, the official, or that official's designated
12 representative, whose office is subject to audit. On any audit of a state agency or political subdivision of the
13 state, the auditee shall provide responses to any recommendations contained in the draft report within thirty
14 days from the receipt of the draft report.

15 13. The auditor shall notify the general assembly, the governor, the director of each agency audited,
16 and other persons as the auditor deems appropriate that an audit report has been published, its subject and title,
17 and the locations, including state libraries, at which the report is available. The auditor then shall distribute
18 copies of the report only to those who request a report. The copies shall be available in written form or
19 available on the official website of the auditor. The auditor may charge a reasonable fee for providing a
20 written copy of an audit report. The auditor also shall file a copy of the audit report in the auditor's office; this
21 copy shall be a permanent public record. Nothing in this subsection shall be construed to authorize or permit
22 the publication of information that is otherwise prohibited by law from being disclosed.

23 14. Nothing in this chapter shall be construed to infringe upon or deprive the legislative, executive, or
24 judicial branches of state government of any rights, powers, or duties vested in or imposed upon them by
25 statute or the constitution of this state.

26 15. Nothing in this chapter shall be construed by the courts of this state in a manner inconsistent with
27 Article II of the Constitution of Missouri.

28 16. The auditor shall be responsible for receiving reports of allegations of improper governmental
29 activities as provided in section 29.221. The auditor shall adopt policies and procedures necessary to provide
30 for the investigation or referral of such allegations.

31 17. In accordance with the state's records retention schedule, the auditor shall maintain a complete
32 file of all audit reports and reports of other examinations, investigations, surveys, and reviews issued under
33 the auditor's authority. Audit workpapers and other evidence and related supportive material directly
34 pertaining to the work of the auditor's office shall be retained according to an agreement between the auditor
35 and the state archives. To promote intergovernmental cooperation and avoid unnecessary duplication of audit
36 effort, pertinent workpapers and other supportive material related to [issued] any audit [reports] may be, at the
37 discretion of the auditor and unless otherwise prohibited by law, made available for inspection by duly
38 authorized representatives of the state and federal government who desire access to, and inspection of, such
39 records in connection with a matter officially before them, including criminal investigations. Except as
40 provided in this section, audit workpapers and related supportive material shall be kept confidential, including
41 any interpretations, advisory opinions, or other information or materials used and relied on in performing the
42 audit."; and

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44 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.