

AMENDED IN SENATE APRIL 17, 2007

SENATE BILL

No. 521

Introduced by Senator Wyland

(Principal coauthor: Assembly Member Anderson)

February 22, 2007

An act to amend Sections 8543, 8543.1, 8544.5, 8546, 8546.4, 8546.8, and 12430 of, to add Sections 8546.10, 8546.11, 8546.12, 8546.14, 8546.15, 8546.16, 8546.17, 8546.18, 8546.19, 8546.20, 8546.21, 8546.22, 8546.23, and 8546.24 to, to repeal Sections 13291, 13292, 13292.5, 13293, 13294, 13295, 13296, 13297, 13298, 13299, 13299.1, 13300, 13301 and 13302 of, to add and repeal Section 8546.13 of, and to repeal Article 2 (commencing with Section 10520) of Chapter 4 of Part 2 of Division 2 of Title 2 of, the Government Code, relating to state audits and evaluations.

LEGISLATIVE COUNSEL'S DIGEST

SB 521, as amended, Wyland. State Audits and Evaluations.

Under existing law, the Bureau of State Audits has statutory audit and evaluation duties, and the Department of Finance, through its Office of State Audits and Evaluations and its Performance Review Unit, has other, overlapping duties to perform audits and evaluations.

This bill would transfer all the audit and evaluation duties to the Bureau of State Audits and rename the bureau as the Bureau of State Audits and Evaluations. The bureau would also be responsible for auditing the performance of state programs and managers, and for recommending actions to correct any inefficiencies or ineffectiveness that may exist. The bill would become operative only if ~~an unspecified~~ SCA 7 is approved by the voters.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8543 of the Government Code is amended
2 to read:

3 8543. There is hereby created in state government the Bureau
4 of State Audits and Evaluations. In order to be free of
5 organizational impairments to independence, the bureau shall be
6 independent of the executive branch and legislative control.

7 SEC. 2. Section 8543.1 of the Government Code is amended
8 to read:

9 8543.1. The duties of the Bureau of State Audits and
10 Evaluations are to examine and report annually upon the financial
11 statements prepared by the executive branch of the state, to perform
12 other related assignments, including performance audits, that are
13 mandated by statute, and to make recommendations to the
14 Governor and the Legislature for improving the effectiveness and
15 efficiency of state agencies and programs. For the purposes of this
16 chapter “bureau” means the “Bureau of State Audits and
17 Evaluations,” unless the context clearly requires otherwise.

18 SEC. 3. Section 8544.5 of the Government Code is amended
19 to read:

20 8544.5. (a) There is hereby established in the State Treasury
21 the State Audit and Evaluation Fund, to replace the State Audit
22 Fund. Notwithstanding Section 13340, the State Audit and
23 Evaluation Fund is continuously appropriated for the expenses of
24 the State Auditor. There shall be appropriated annually in the
25 Budget Act to the State Audit and Evaluation Fund, from the
26 General Fund, the amount necessary to reimburse the State Audit
27 and Evaluation Fund for the cost of audits to be performed that
28 are not directly reimbursed under subdivision (c). “Cost of audits”
29 means all direct and indirect costs of conducting the audits and
30 any other related expenses incurred by the State Auditor in
31 fulfilling his or her statutory responsibilities.

32 (b) Upon certification by the State Auditor of estimated costs
33 on a monthly basis, the Controller shall transfer the amount thus
34 certified from the General Fund to the State Audit and Evaluation
35 Fund. The Controller shall thereafter issue warrants drawn against

1 the State Audit and Evaluation Fund upon receipt of claims
2 certified by the State Auditor.

3 (c) To ensure appropriate reimbursement from federal and
4 special funds for the costs of the duties performed pursuant to
5 Section 8546.3, the State Auditor may directly bill state agencies
6 for the costs incurred.

7 (d) To ensure adequate oversight of the operations of the bureau,
8 the Milton Marks “Little Hoover” Commission on California State
9 Government Organization and Economy shall annually obtain the
10 services of an independent public accountant to audit the State
11 Audit and Evaluation Fund and the operation of the bureau to
12 assure compliance with state law, including Section 8546. The
13 results of this audit shall be submitted to the commission and shall
14 be a public record.

15 (e) To ensure that audits of the Milton Marks “Little Hoover”
16 Commission on California State Government Organization and
17 Economy are conducted in conformity with government auditing
18 standards, any audit of the commission that is required or permitted
19 by law shall be conducted by the independent public accountant
20 selected pursuant to subdivision (d).

21 SEC. 4. Section 8546 of the Government Code is amended to
22 read:

23 8546. It is the intent of the Legislature that the Bureau of State
24 Audits and Evaluations have the independence necessary to conduct
25 all of its audits in conformity with “Government Auditing
26 Standards” published by the Comptroller General of the United
27 States and the standards published by the American Institute of
28 Certified Public Accountants, free from influence of existing state
29 control agencies that could be the subject of audits conducted by
30 the bureau. Therefore, all of the following exclusions apply to the
31 office:

32 (a) ~~Notwithstanding Section 19790, the Sections 19790, 19792,~~
33 ~~19792.5, 19794, 19795, 19798, and 19798.5 do not apply to the~~
34 ~~Bureau of State Audits. The State Auditor shall establish an~~
35 ~~affirmative action equal employment opportunity~~ program that
36 shall meet the criteria and objectives established by *Section 19797*
37 ~~and by the State Personnel Board and shall report annually to the~~
38 ~~State Personnel Board and the commission.~~

39 (b) Notwithstanding Section 12470, the State Auditor is
40 responsible for maintaining its payroll system. In lieu of audits of

1 the uniform payroll system performed by the Controller or any
2 other department, the office shall contract pursuant to subdivision
3 (e) of Section 8544.5 for an annual audit of its payroll and financial
4 operations by an independent public accountant.

5 (c) The State Auditor is delegated the authority to establish and
6 administer the fiscal and administrative policies of the bureau in
7 conformity with the State Administrative Manual without oversight
8 by the Department of Finance, or any other state agency.

9 (d) Notwithstanding Section 11032, the State Auditor may
10 approve actual and necessary traveling expenses for travel outside
11 the state for officers and employees of the bureau.

12 (e) Notwithstanding Section 11033, the State Auditor or officers
13 and employees of the bureau may be absent from the state on
14 business of the state upon approval of the State Auditor or Chief
15 Deputy State Auditor.

16 (f) Sections 11040, 11042, and 11043 do not apply to the Bureau
17 of State Audits. The State Auditor may employ legal counsel under
18 those terms that he or she deems necessary to conduct the legal
19 business of, or render legal counsel to, the State Auditor.

20 (g) The provisions and definitions of Article 2 (commencing
21 with Section 11342.510) of Chapter 3.5 of Division 3 of Title 2
22 shall not be construed to include the Bureau of State Audits and
23 Evaluations. The State Auditor may adopt regulations necessary
24 for the operation of the bureau pursuant to the provisions of the
25 Administrative Procedure Act (Chapter 3.5 (commencing with
26 Section 11340) of Division 3 of Title 2), but these regulations shall
27 not be subject to the review or approval of the Office of
28 Administrative Law.

29 (h) The State Auditor is exempt from all contract requirements
30 of the Public Contract Code that require oversight, review, or
31 approval by the Department of General Services or any other state
32 agency. The State Auditor may contract on behalf of the State of
33 California for goods and services that he or she deems necessary
34 for the furtherance of the purposes of the bureau.

35 (i) (1) Subject to Article VII of the California Constitution, the
36 State Auditor is delegated the authority to establish and administer
37 the personnel policies and practices of the Bureau of State Audits
38 and Evaluations in conformity with Part 2.6 (commencing with
39 Section 19815) of Division 5 of Title 2 without oversight or
40 approval by the Department of Personnel Administration.

1 (2) At the election of the State Auditor, officers and employees
2 of the bureau may participate in benefits programs administered
3 by the Department of Personnel Administration subject to the same
4 conditions for participation that apply to civil service employees
5 in other state agencies. For the purposes of benefits programs
6 administration only, the State Auditor is subject to the
7 determinations of the department. The Bureau of State Audits and
8 Evaluations shall reimburse the Department of Personnel
9 Administration for the normal administrative costs incurred by the
10 Department of Personnel Administration and for any extraordinary
11 costs resulting from the inclusion of the bureau employees in these
12 state benefit programs.

13 SEC. 5. Section 8546.4 of the Government Code is amended
14 to read:

15 8546.4. (a) The State Auditor shall annually issue an auditor's
16 report based upon the general purpose financial statements included
17 in the Controller's annual report that is submitted to the Governor
18 pursuant to Section 12460. The report shall be in accordance with
19 the "Government Auditing Standards" published by the
20 Comptroller General of the United States and the standards
21 published by the American Institute of Certified Public
22 Accountants.

23 (b) The State Auditor, in the performance of this annual audit,
24 may examine all the financial records, accounts, and documents
25 of any state agency as defined by Section 11000.

26 (c) The State Auditor shall rely, to the maximum extent possible,
27 upon the audits performed by the Controller, the Department of
28 Finance, internal auditors of state agencies, and independent
29 contractors. The State Auditor shall be responsible for coordinating
30 and providing technical assistance to the internal auditors of state
31 agencies. Nothing in this article is intended to reduce or restrict
32 the operations of internal auditors whose review of internal
33 financial and administrative controls of state agencies is essential
34 for coordinated audits.

35 (d) State agencies receiving federal funds shall be primarily
36 responsible for arranging for federally required financial and
37 compliance audits. State agencies shall immediately notify the
38 State Auditor and the Controller when they are required to obtain
39 federally required financial and compliance audits. The State
40 Auditor and the Controller shall coordinate the procurement by

1 state agencies, including any negotiations with cognizant federal
2 agencies, of federally required financial and compliance audits.

3 (e) To prevent duplication of the annual audit conducted by the
4 State Auditor pursuant to subdivision (a), except for those state
5 agencies that are required by state law to obtain an annual audit,
6 no state agency shall enter into a contract for a financial or
7 compliance audit without prior written approval of the Controller,
8 which approval shall state the reason for the contract and shall be
9 filed with the State Auditor at least 30 days prior to the award of
10 the contract. No funds appropriated by the Legislature shall be
11 encumbered for the purpose of funding any contract for an audit
12 that duplicates the annual financial audit conducted by the State
13 Auditor.

14 (f) Notwithstanding any other provision of this article, nothing
15 in this section shall be construed to limit, restrict, or otherwise
16 infringe upon the constitutional or statutory authority of the
17 Controller to superintend the fiscal concerns of the state.

18 (g) Notwithstanding any other provision of this article, nothing
19 in this section shall be construed to limit, restrict, or otherwise
20 infringe upon the statutory authority of the Director of Finance to
21 supervise the financial and business policies of the state, except
22 that the auditing and evaluation functions previously assigned to
23 the Department of Finance are assigned to the bureau.

24 SEC. 6. Section 8546.8 of the Government Code is amended
25 to read:

26 8546.8. Unless the contrary is stated or clearly appears from
27 the context, any reference to the Auditor General or to the Office
28 of the Auditor General or the Bureau of State Audits in any statute
29 or contract in effect on the effective date of this chapter, other than
30 Chapter 4 (commencing with Section 10500), with respect to the
31 performance of audits, shall be construed to refer to the State
32 Auditor and the Bureau of State Audits and Evaluations,
33 respectively.

34 SEC. 7. Section 8546.10 is added to the Government Code, to
35 read:

36 8546.10. (a) The State Auditor shall evaluate each state agency,
37 as defined in subdivision (a) of Section 11000, on a random basis,
38 with each program having a budget in excess of one million dollars
39 (\$1,000,000) being evaluated not less than once every five years,
40 to identify any inefficiencies or failures in the program, the ability

1 of agency managers to effectively and efficiently administer the
2 agency, and the effectiveness of the agency. The results of each
3 evaluation shall be provided to the Governor and the Legislature,
4 as well as to the direct supervisor of each manager.

5 (b) If an agency manager fails to use state resources efficiently
6 and effectively or fails to ensure that the agency meets its goals,
7 the State Auditor, working cooperatively with the direct supervisor
8 of the manager, shall establish performance goals and identify
9 appropriate actions to be taken to correct these failures within a
10 reasonable and defined period of time.

11 (c) If the failures are not corrected or performance goals are not
12 achieved within the time specified, the State Auditor shall
13 recommend to the Governor and the Legislature whether the
14 manager should be removed or the program terminated, or both.

15 SEC. 8. Section 8546.11 is added to the Government Code, to
16 read:

17 8546.11. The Bureau of State Audits and Evaluations may
18 require financial and statistical reports, duly verified and covering
19 the period of each fiscal year, from all agencies of the state included
20 within the provisions of Section 8546.22.

21 The reports shall be made upon blank forms prescribed and
22 furnished by the bureau, and mailed to each agency not less than
23 60 days before the time the reports are required to be filed with
24 the bureau.

25 SEC. 9. Section 8546.12 is added to the Government Code, to
26 read:

27 8546.12. When necessary, the bureau may require special
28 reports from any state or public agency. These special reports shall
29 be filed with the bureau without delay.

30 SEC. 10. Section 8546.13 is added to the Government Code,
31 to read:

32 8546.13. (a) No later than October 31 of each year, each state
33 agency listed in subdivision (d) shall submit a report to the bureau
34 that identifies and describes the status of that agency's liquidated
35 and delinquent accounts as of the end of the previous fiscal year
36 and efforts made by that agency to collect these accounts during
37 that previous fiscal year. The report shall identify receivables that
38 are valid and collectible. For this purpose, "valid" means due and
39 payable and for which there is no known disagreement about the
40 amount of the claim at the time it was established, and "collectible"

1 means due and payable and for which collection has not been
2 deferred by any other provision of law. The report shall be in a
3 form prescribed by the State Auditor and shall include a summary
4 of the total of all of the following:

5 (1) The total number and aggregate dollar amount of liquidated
6 and delinquent accounts.

7 (2) Liquidated and delinquent accounts, by total number and
8 aggregate dollar amount, that were not included in the annual report
9 for the immediately preceding fiscal year.

10 (3) Aggregate beginning balance and aggregate ending balance
11 of all liquidated accounts and of all delinquent accounts.

12 (4) Aggregate dollar amount of moneys paid on liquidated and
13 delinquent accounts.

14 (5) Total amount and total number of liquidated and delinquent
15 accounts that have been discharged from accountability.

16 (6) Total dollar amount of liquidated and delinquent accounts
17 turned over to private collection agencies and total amount
18 collected by those agencies for the fiscal year that is the subject
19 of the report.

20 (7) An aging of the liquidated and delinquent accounts included
21 in the report, which, at a minimum, shall identify the total number
22 and aggregate dollar amount of liquidated and delinquent accounts
23 that are within the following time periods after the obligation was
24 first due to a state agency:

25 (A) From 180 to 365 days.

26 (B) From 366 to 545 days.

27 (C) More than 545 days.

28 (b) No later than February 28 of each fiscal year, the State
29 Auditor shall submit to the Legislature a report on the status of
30 liquidated and delinquent accounts of state agencies, which shall
31 be based on the reports submitted by state agencies pursuant to
32 subdivision (a).

33 (c) As used in this section, “liquidated and delinquent accounts”
34 means any loans, accounts receivable, fines, assessments, penalties,
35 or other monetary obligation owed to a state agency that is unpaid
36 for 180 or more days after the obligation was first due to that state
37 agency.

38 (d) Subdivision (a) shall apply to all of the following state
39 agencies:

40 (1) State Board of Equalization.

- 1 (2) Franchise Tax Board.
- 2 (3) State Lands Commission.
- 3 (4) Department of General Services.
- 4 (5) Department of Motor Vehicles.
- 5 (6) Department of Real Estate.
- 6 (7) Department of Corporations.

7 (e) A state agency shall not enter into a contract with a private
8 nongovernmental collection agency to perform the functions
9 required of a state agency under this section.

10 (f) The agencies listed in subdivision (d) and the bureau shall
11 use existing resources to comply with the requirements of this
12 section, which shall apply only if sufficient resources are available
13 for this purpose.

14 (g) This section shall become inoperative on July 1, 2010, and,
15 as of January 1, 2011, is repealed, unless a later enacted statute,
16 that becomes operative on or before January 1, 2011, deletes or
17 extends the dates on which it becomes inoperative and is repealed.

18 SEC. 11. Section 8546.14 is added to the Government Code,
19 to read:

20 8546.14. The bureau may examine all records, files, documents,
21 accounts and all financial affairs of every agency mentioned in
22 Section 8546.22. It may enter any public office or institution in
23 this state and examine any records, files, books, papers or
24 documents contained therein or belonging thereto for the purpose
25 of making the examination, and shall have access, in the presence
26 of the custodian or his or her deputy, to the cash drawers and cash
27 in the custody of the agency.

28 During business hours the bureau may examine the public
29 accounts in any depository that has public funds in its custody

30 SEC. 12. Section 8546.15 is added to the Government Code,
31 to read:

32 8546.15. The Bureau of State Audits and Evaluations shall
33 examine the books of the several state agencies as often as the
34 State Auditor deems necessary, taking into consideration the work
35 done by other auditors, including the internal auditors of the various
36 state agencies, so that duplication of auditing effort may be
37 minimized.

38 SEC. 13. Section 8546.16 is added to the Government Code,
39 to read:

1 8546.16. Every state agency shall permit examination and upon
2 demand shall produce without unnecessary delay all books,
3 contracts, and papers in its offices, and furnish information
4 touching books, papers, contracts, and other matters pertaining to
5 the agency.

6 SEC. 14. Section 8546.17 is added to the Government Code,
7 to read:

8 8546.17. The State Auditor shall supply to the Controller a
9 certified copy of each periodical audit of the accounts of any state
10 agency. Additionally, if the audit includes a review of federal
11 funds, the State Auditor shall also report the results of the audit
12 simultaneously to the Legislature and the affected state agency.

13 SEC. 15. Section 8546.18 is added to the Government Code,
14 to read:

15 8546.18. The money in the State Treasury shall be counted by
16 the State Auditor at least twice each year, without giving the
17 Treasurer any previous notice of the day or hour of counting.

18 At any counting the State Auditor may place any sum in bags
19 or boxes and mark and seal them with a seal adopted and kept by
20 him or her. At any subsequent counting he or she may count each
21 sealed bag or box separately and credit at the value stamped thereon
22 the contents of the bags or boxes as part of the money counted
23 without making a detailed count of the contents.

24 SEC. 16. Section 8546.19 is added to the Government Code,
25 to read:

26 8546.19. The State Auditor shall count as cash all evidence of
27 money belonging to the state upon deposit outside the State
28 Treasury that may be held by the Treasurer in accordance with
29 law and shall determine for himself or herself whether that evidence
30 is sufficient according to law.

31 SEC. 17. Section 8546.20 is added to the Government Code,
32 to read:

33 8546.20. After each count of money, the State Auditor shall
34 make and file with the Secretary of State and cause to be published
35 in some newspaper in the City of Sacramento, an affidavit showing
36 the following information:

37 (a) The amount of money or credit that should be in the State
38 Treasury.

39 (b) The amount and kind of money or credit actually in the State
40 Treasury.

1 SEC. 18. Section 8546.21 is added to the Government Code,
2 to read:

3 8546.21. Securities held in the State Treasury or other
4 depositories for safekeeping purposes shall be counted or
5 confirmed, at least annually, by the State Auditor. After each count
6 or confirmation of securities, the State Auditor shall issue his or
7 her report on the accountability of securities.

8 SEC. 19. Section 8546.22 is added to the Government Code,
9 to read:

10 8546.22. (a) The bureau shall devise, install, supervise, and,
11 at its discretion, revise and modify, a modern and complete
12 accounting system for each agency of the state permitted or charged
13 by law with the handling of public money or its equivalent, to the
14 end that all revenues, expenditures, receipts, disbursements,
15 resources, obligations, and property of the state be properly,
16 accurately, and systematically accounted for and that there shall
17 be obtained accurate and comparable records, reports, and
18 statements of all the financial affairs of the state.

19 (b) This system shall be of a nature so as to permit a comparison
20 of budgeted expenditures, actual expenditures, and encumbrances
21 and payables, as defined by the California Fiscal Advisory Board,
22 and estimated revenue to actual revenue, which is compatible with
23 a budget coding system, developed by the bureau. In addition, the
24 system shall provide for a federal revenue accounting system with
25 cross-references of federal fund sources to state activities.

26 (c) This system shall include a cost accounting system that
27 accounts for expenditures by line item, governmental unit, and
28 fund source. The system shall also be capable of performing
29 program cost accounting as required. The system and the accounts
30 maintained by the several agencies of the state shall be coordinated
31 with the central accounts maintained by the Controller, and shall
32 provide the Controller with all information necessary to the
33 maintenance by the Controller of a comprehensive system of
34 central accounts for the entire state government. The Controller
35 or the State Auditor may consider and adopt any rule or regulation
36 required to implement this section.

37 (d) The requirements of this section apply to departments
38 commencing with the second fiscal year following the fiscal year
39 for which funds are appropriated by the Legislature to implement

1 this section. The bureau shall adopt guidelines and instructions to
2 implement the application of this section.

3 SEC. 20. Section 8546.23 is added to the Government Code,
4 to read:

5 8546.23. For the purpose of administering Section 8546.22,
6 the State Auditor may appoint and prescribe the duties and fix the
7 salaries of as many skillful accountants or assistants as he or she
8 deems necessary. Each appointee is a civil executive officer.

9 Before entering upon the discharge of the duties of his or her
10 office, each appointee shall execute to the state an official bond
11 conditioned upon the faithful performance of his or her duties in
12 a penal sum prescribed by the State Auditor of not less than five
13 thousand dollars (\$5,000).

14 SEC. 21. Section 8546.24 is added to the Government Code,
15 to read:

16 8546.24. (a) The accounting system devised as provided in
17 Section 8546.22 shall provide, with respect to the General Fund
18 and other governmental funds, for the following:

19 (1) The accrual of expenditures as of the end of each fiscal year
20 on the basis of payables incurred, excluding accrued interest on
21 general obligation bonded indebtedness.

22 (2) The accrual of revenues at the end of the fiscal year, if the
23 underlying transaction has occurred as of the last day of the fiscal
24 year and the due date for the tax is within two months of the end
25 of the period.

26 (b) Cash in agency trust accounts within the centralized State
27 Treasury system which is in transit to the State Treasury, accrued
28 interest receivable, and accounts receivable shall be accrued as of
29 the end of each fiscal year.

30 (c) For the purposes of financial reporting, the following applies:

31 (1) A payable exists when goods or services have been delivered
32 and the state is required to pay for those goods or services, and an
33 encumbrance exists when a valid obligation against an
34 appropriation has been created.

35 (2) All funds appropriated shall be identified as either expended,
36 payable, encumbered (exclusive of payables), or unencumbered,
37 as further defined by the California Fiscal Advisory Board, and
38 the total of these shall equal the total appropriation

1 SEC. 22. Article 2 (commencing with Section 10520) of
2 Chapter 4 of Part 2 of Division 2 of Title 2 of the Government
3 Code is repealed.

4 SEC. 23. Section 12430 of the Government Code is amended
5 to read:

6 12430. Annually, the Controller and the State Auditor shall
7 each prepare a plan to meet their audit responsibilities. With respect
8 to audits to fulfill the requirements necessary for the receipt of
9 federal funds, the State Auditor shall be primarily responsible for
10 financial audits, the Controller shall be primarily responsible for
11 compliance audits, and the State Auditor shall be primarily
12 responsible for coordinating state agency internal audits and
13 determining when agencies are required to obtain federally
14 mandated audits. Upon completion of these audit plans, the
15 Controller and the State Auditor shall meet to review and discuss
16 the plans with the purpose of coordinating their audit efforts to
17 avoid unnecessary duplication and negotiation with federal
18 agencies regarding federally mandated audits.

19 Subsequent to their review of the audit plans and negotiations
20 with federal agencies, if the Controller or the State Auditor
21 determines that the proposed audit plan of the other does not fulfill
22 all audit requirements necessary for the receipt of federal funds,
23 they may expand the scope of their audit of state agencies to meet
24 the additional federal audit requirements. The financial audit report
25 issued by the State Auditor and the compliance audit report issued
26 by the Controller are intended to fulfill federally mandated audit
27 requirements. These audit reports shall be performed in accordance
28 with the “Standards for Audits of Governmental Organizations,
29 Programs, Activities and Functions,” published by the Comptroller
30 General of the United States, and the standards published by the
31 American Institute of Certified Public Accountants.

32 Nothing in this section shall be construed to limit, restrict, or
33 otherwise infringe upon the duty of the State Auditor to conduct
34 annual financial audits pursuant to Section 8546.1 or to limit,
35 restrict, or otherwise infringe upon the authority of the Joint
36 Legislative Audit Committee to direct the State Auditor to conduct
37 any audit of state government pursuant to subdivision (b) of Section
38 8546.1.

39 SEC. 24. Section 13291 of the Government Code is repealed.

40 SEC. 25. Section 13292 of the Government Code is repealed.

- 1 SEC. 26. Section 13292.5 of the Government Code is repealed.
- 2 SEC. 27. Section 13293 of the Government Code is repealed.
- 3 SEC. 28. Section 13294 of the Government Code is repealed.
- 4 SEC. 29. Section 13295 of the Government Code is repealed.
- 5 SEC. 30. Section 13296 of the Government Code is repealed.
- 6 SEC. 31. Section 13297 of the Government Code is repealed.
- 7 SEC. 32. Section 13298 of the Government Code is repealed.
- 8 SEC. 33. Section 13299 of the Government Code is repealed.
- 9 SEC. 34. Section 13299.1 of the Government Code is repealed.
- 10 SEC. 35. Section 13300 of the Government Code is repealed.
- 11 SEC. 36. Section 13301 of the Government Code is repealed.
- 12 SEC. 37. Section 13302 of the Government Code is repealed.
- 13 SEC. 38. The Legislature finds and declares that the Office of
14 State Audits and Evaluations and the Performance Review Unit
15 in the Department of Finance and the Bureau of State Audits have
16 statutory duties that are overlapping and duplicative. By this act,
17 the Legislature intends to transfer the duties, personnel, and funding
18 for the Office of State Audits and Evaluations and the Performance
19 Review Unit to the Bureau of State Audits and to rename the
20 bureau, the Bureau of State Audits and Evaluations. Any statutory
21 duties previously assigned to either the Office of State Audits and
22 Evaluations and the Performance Review Unit in the Department
23 of Finance or to the Bureau of State Audits are hereby reassigned
24 to the Bureau of State Audits and Evaluations.
- 25 SEC. 39. This act shall become operative only if Senate
26 Constitutional Amendment 7 of the 2007–08 Regular Session
27 is approved by the voters and, in that case, shall take effect on the
28 day after the election in which the voters approve that measure.

O