

AMENDED IN SENATE AUGUST 20, 2012

Senate Constitutional Amendment

No. 1

Introduced by Senator Wyland

December 6, 2010

Senate Constitutional Amendment No. 1—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 10 to Article III thereof, relating to state audits.

LEGISLATIVE COUNSEL'S DIGEST

SCA 1, as amended, Wyland. State Auditor: duties.

Existing statutory law establishes the Bureau of State Audits, which is headed by the State Auditor and has specified statutory duties, including the performance of statutorily mandated audits. Existing law states that the Bureau of State Audits, in order to be free of organizational impairments to independence, shall be independent of the executive branch and legislative control.

This measure would require the State Auditor to biennially conduct a *specified financial audit and* performance evaluation of each state program, including the administration or oversight of that program by the department or agency that is responsible for the program, and submit a report of the results of that *financial audit and* performance evaluation to the Legislature, as prescribed. This measure would require the committee that considers the budget in each house of the Legislature to meet and consider recommendations made in each performance evaluation within 90 days of submission by the State Auditor. This measure would require the State Auditor to make each *financial audit and* performance evaluation available to the public on an Internet Web site and in hardcopy format and require the Legislature to appropriate

to the Bureau of State Audits funds as necessary to implement these provisions.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its 2011–12 Regular
3 Session commencing on the sixth day of December 2010,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California, that the
6 Constitution of the State be amended as follows:

7 That Section 10 is added to Article III thereof, to read:

8 SEC. 10. (a) Not later than January 1, ~~2013~~ 2015, and no less
9 frequently than every two years thereafter, the State Auditor, or
10 his or her successor, shall conduct a *financial audit and*
11 performance evaluation of each state government program,
12 including the administration or oversight of that program by each
13 department or agency that is responsible for the program, and shall
14 submit to the Legislature a report of the results of that *financial*
15 *audit and* performance evaluation.

16 (b) Within 90 calendar days after the date that the State Auditor,
17 or his or her successor, submits a report of the results of a *financial*
18 *audit and* performance evaluation to the Legislature pursuant to
19 subdivision (a), the committee that considers the budget in each
20 house of the Legislature shall meet and consider the
21 recommendations made in the performance evaluation pursuant
22 to paragraph (5) of ~~subdivision (c)~~ *subdivision (d)*.

23 (c) *The financial audit of each program conducted under this*
24 *section shall include, but not be limited to, all of the following:*

25 (1) *A description of all expenditures for the program for the*
26 *immediately preceding 10 years, including expenditures of money*
27 *from the General Fund, special funds, and federal funds.*

28 (2) *Identification of the amounts appropriated for the purposes*
29 *of the program, and the funds from which those appropriations*
30 *were made, for the immediately preceding 10 years.*

31 (3) *Identification of any discrepancy between the amount of*
32 *moneys in a program's special fund as reported to the Controller*
33 *and the amount of moneys in that special fund as reported to the*
34 *Director of Finance.*

35 (e)

1 (d) Each performance evaluation of a program conducted under
2 this section shall include, but ~~is~~ not *be* limited to, all of the
3 following:

4 (1) A statement of the purposes of the program, including the
5 intent of the Legislature pursuant to any measure enacted to
6 establish or modify the program.

7 (2) A discussion of the history of the program.

8 (3) A description of all sources of funding for the program, and
9 an evaluation of the cost-effectiveness of the program.

10 (4) An evaluation of the success of the program, including an
11 explanation of the methodology used to evaluate that success.

12 (5) Recommendations as to how the program may be made more
13 efficient and effective, or as to whether the program should be
14 eliminated.

15 (6) Any related information or evaluation the State Auditor
16 deems appropriate.

17 ~~(d)~~

18 (e) The State Auditor shall make each *financial audit and*
19 performance evaluation prepared pursuant to this section available
20 to the public on an Internet Web site and in a hardcopy format.

21 ~~(e)~~

22 (f) The Legislature shall appropriate to the Bureau of State
23 Audits, or any successor entity, funds as necessary to implement
24 this section.