

Introduced by Senator Wyland

December 3, 2012

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 introduced, Wyland. State Auditor: duties.

Existing statutory law, commencing January 1, 2013, establishes the California State Auditor's Office, which is headed by the California State Auditor and has specified statutory duties, including the performance of statutorily mandated audits. Existing statutory law, commencing January 1, 2013, states that the California State Auditor's Office, 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 California 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 California State Auditor. This measure would require the California 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 California State Auditor's Office 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 2013–14 Regular
3 Session commencing on the third day of December 2012,
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, 2015, and no less
9 frequently than every two years thereafter, the California State
10 Auditor, or his or her successor, shall conduct a financial audit
11 and 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 California
17 State Auditor, or his or her successor, submits a report of the results
18 of a financial audit and performance evaluation to the Legislature
19 pursuant to subdivision (a), the committee that considers the budget
20 in each house of the Legislature shall meet and consider the
21 recommendations made in the performance evaluation pursuant
22 to paragraph (5) of 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 and the amount of moneys in
33 that special fund as reported to the Controller and the Director of
34 Finance.

- 1 (d) Each performance evaluation of a program conducted under
2 this section shall include, but not be limited to, all of the following:
- 3 (1) A statement of the purposes of the program, including the
4 intent of the Legislature pursuant to any measure enacted to
5 establish or modify the program.
 - 6 (2) A discussion of the history of the program.
 - 7 (3) A description of all sources of funding for the program, and
8 an evaluation of the cost-effectiveness of the program.
 - 9 (4) An evaluation of the success of the program, including an
10 explanation of the methodology used to evaluate that success.
 - 11 (5) Recommendations as to how the program may be made more
12 efficient and effective, or as to whether the program should be
13 eliminated.
 - 14 (6) Any related information or evaluation the California State
15 Auditor deems appropriate.
- 16 (e) The California State Auditor shall make each financial audit
17 and performance evaluation prepared pursuant to this section
18 available to the public on an Internet Web site and in a hardcopy
19 format.
- 20 (f) The Legislature shall appropriate to the California State
21 Auditor's Office, or any successor entity, funds as necessary to
22 implement this section.