

LEGISLATIVE BILL 193

Approved by the Governor February 24, 1977

Introduced by Bereuter, 24; Simon, 31

AN ACT to amend section 50-419, Reissue Revised Statutes of Nebraska, 1943, and sections 50-702 and 84-304, Revised Statutes Supplement, 1976, relating to various fiscal duties; to adopt the Appropriations and Expenditures Review Act of 1977 as prescribed; to repeal the original sections, and also section 50-701, Revised Statutes Supplement, 1976; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. The purpose of this act is to establish a procedure for review and analysis of the use of state appropriations by agencies and institutions, and in those areas of state-aid programs for political subdivisions when criteria for performance have been established or mandated by the Legislature. Sections 1 to 3 and 5 to 7 of this act shall be known and may be cited as the Appropriations and Expenditures Review Act of 1977.

Sec. 2. That section 50-419, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

50-419. (1) The Legislative Fiscal Analyst shall provide fiscal and budgetary information and assistance to the Legislature, the Budget Appropriations Committee of the Legislature, and the Legislative Council Budget Committee. During sessions of the Legislature he shall work under the direction of the Budget Appropriations Committee of the Legislature. During the interim between legislative sessions he shall work under the direction of the Executive Board of the Legislative Council.

He shall provide:

(1) (a) Factual information and recommendations concerning the financial operations of the state government;

(2) (b) Evaluation of the requests for appropriations contained in the executive budget and recommendations thereon;

(3) (c) Studies of capital outlay needs for the orderly and coordinated development of state institutions

and institutional programs authorized, if not otherwise provided by law; and

(4) (d) Plans for legislative appropriation and control of funds, with pre-session analysis of budgetary requirements; and

(e) At the direction of the Performance Review and Audit Committee, analyses of the performance, management, and accomplishments of the programs of state government and state-aid programs.

(2) The analysis required by subdivision (e) of subsection (1) of this section may contain information pertaining to compliance with legislative intent, performance compliance with preestablished standards, program effectiveness, organizational structure, personnel policies, opinions, and recommendations as considered appropriate for the improvement of operations of government. The Legislative Fiscal Analyst may contract for services deemed necessary to carry out the duties of the office with the approval of the Executive Board of the Legislative Council.

(3) His duties shall also include examining or auditing functions or services authorized by the Legislature to determine if funds are expended according to legislative intent and whether improvements in organization and performance are possible. The examining function shall also include the appraisal of functions for needed reforms.

(4) His duties shall be to coordinate his activities with the budget officer of the Department of Administrative Services.

(5) All information and reports of the fiscal analyst and Budget Appropriations Committee shall be available to any and all members of the Legislature.

Sec. 3. That section 50-702, Revised Statutes Supplement, 1976, be amended to read as follows:

50-702. The Legislative-Audit Performance Review and Audit Committee shall have the following duties and responsibilities:

(1) To meet periodically with the Auditor of Public Accounts to review the audits performed by the audit staff, and to meet once each calendar quarter of the year to receive a report from the Legislative Fiscal Analyst on all performance reviews in progress or completed since the last report;

(2) To review special requests from legislative members for special ~~audit--reports~~ reviews and, if approved, communicate such requests to the ~~Auditor--of Public-Accounts~~ Legislative Fiscal Analyst;

(3) ~~In-conjunction-with--the--Auditor--of--Public Accounts--to~~ To determine the means by which auditing performance review methods can be improved so as to better provide the type of information needed by the Legislature;

(4) To continually review the workload of the audit legislative fiscal staff and report to the Legislature the requirements for maintaining a current audit performance review capability;

(5) To insure that proper dissemination of audit report performance review findings is made to the members of the Legislature; and

(6) To assume or initiate whatever actions are necessary to insure that audit recommendations for improvement are effectively carried out by the responsible agencies of state government.

Sec. 4. That section 84-304, Revised Statutes Supplement, 1976, be amended to read as follows:

84-304. It shall be the duty of the Auditor of Public Accounts:

(1) To give information in writing to the Legislature, whenever required, upon any subject relating to the fiscal affairs of the state, or in regard to any duty of his office;

(2) To furnish offices for himself and all fuel, lights, books, blanks, forms, paper, and stationery required for the proper discharge of the duties of his office;

(3) To examine, or cause to be examined, at such time as he shall determine, books, accounts, vouchers, records, and expenditures of all state officers, state bureaus, state boards, state commissioners, state library, societies and associations supported by the state, state institutions, state colleges, and the University of Nebraska, except when required to be performed by other officers or persons, and to report promptly to the Director of Administrative Services the fiscal condition shown by such examinations, including any irregularities or misconduct of officers or employees, any misappropriation or misuse of public funds

or property, and any improper system or method of bookkeeping or condition of accounts; and to this end the Auditor of Public Accounts shall, with the approval of the Legislature, appoint an expert accountant (a) whose entire time shall be devoted to the service of the state as directed by the auditor, (b) who shall be a--man an individual of recognized qualifications in his profession, with at least five years' experience, (c) who shall be selected without regard to party affiliation or to his place of residence at the time of his appointment, (d) who shall promptly report in duplicate to the auditor the fiscal condition shown by each examination, including any irregularities or misconduct of officers or employees, any misappropriation or misuse of public funds or property and any improper system or method of bookkeeping or condition of accounts, and it shall be the duty of the auditor to file promptly with the Governor a duplicate of such report, and (e) who shall qualify by taking an oath, which oath shall be filed in the office of the Secretary of State; and

(4) Conduct audits and related activities for state agencies, political subdivisions of this state, or grantees of federal funds disbursed by a receiving agency on a contractual or other basis for reimbursement, to assure proper accounting by all such agencies, political subdivisions, and grantees for funds appropriated by the Legislature and federal funds disbursed by any receiving agency. The auditor shall deposit the receipts for such audits and services in the cash fund maintained for the making of cooperative audits. †and

~~{5} To analyze or cause to be analyzed, at such time as he shall determine or upon request by the Legislature, the performance, management, and accomplishments of the programs of all state officers, state bureaus, state boards, state commissioners, state library, societies and associations supported by the state, state institutions, state colleges, and the University of Nebraska, and report all findings of such analysis to the Legislature. The Auditor of Public Accounts shall, upon the approval of the Legislature, appoint an analyst (a) whose time shall be devoted to the service of the state as directed by the auditor, (b) who shall be recognized for experience in management, investigations, and good business practices, with at least ten years' experience, (c) who shall be selected without regard to party affiliation or to his place of residence at the time of his appointment, (d) who shall promptly report in such a manner as the auditor may require, information pertaining to personnel policies, organizational structure, comparisons of performance with preestablished standards, identification and analysis of~~

problem-areas,-comparison-of-performance--to--legislative intent,-determination-of-program-effectiveness,-and--such comments-and-recommendations--as--considered--appropriate for-improved-operations-of-government,-and-(e)-who--shall file-an-oath-in-the-office-of--the--Secretary--of--State. The-auditor-shall-file-a-duplicate-of--such-report--with the-agency-affected-and-with-the-legislature.

Sec. 5. There is hereby established the Performance Review and Audit Committee to consist of those members of the Legislature who are members of the Appropriations Committee, the Speaker of the Legislature, the Chairman of the Executive Board of the Legislature and the chairman of that standing committee which has the most direct concern with the agency, institution, or program under consideration. The Chairman of the Appropriations Committee shall serve as Chairman of the Performance Review and Audit Committee.

Sec. 6. After the Legislative Fiscal Analyst has examined the programs and operations of state government and state-aid programs as provided in subdivision (1) (e) of section 50-419, such findings and recommendations shall be documented in a report submitted to the Performance Review and Audit Committee. Such report shall place special emphasis on program objectives and the actions taken to accomplish such objectives. Additional copies of such report shall, upon request, be available to any member of the Legislature, the Department of Administrative Services, any agency, and to any other interested person.

Sec. 7. (1) The report required by section 6 of this act shall include:

(a) The scope of the program analysis;

(b) The criteria considered and standards used in the analysis;

(c) The findings and evaluations relative to the program;

(d) Any recommendations; and

(e) Any other information deemed necessary by the Legislative Fiscal Analyst.

(2) Each agency shall be provided an opportunity to examine and review the report and may file a written response to such report. Such written response shall be submitted to the Performance Review and Audit Committee as part of the report filed by the Legislative Fiscal

Analyst.

Sec. 8. That original section 50-419, Reissue Revised Statutes of Nebraska, 1943, and sections 50-702 and 84-304, Revised Statutes Supplement, 1976, and also section 50-701, Revised Statutes Supplement, 1976, are repealed.

Sec. 9. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.