

HOUSE BILL No. 5665

February 14, 2002, Introduced by Rep. Kuipers and referred to the Committee on House Oversight and Operations.

A bill to amend 1919 PA 71, entitled

"An act to provide for the formulation and establishment of a uniform system of accounting and reporting in the several departments, offices, and institutions of the state government, and in all county offices; to provide for the examination of the books and accounts of each state department, office, and institution, and of each county office; to provide for financial reports from all such departments, institutions, and offices, and for the tabulation and publication of comparative financial statistics relating thereto; to provide for the administration of this act; to provide for the powers and duties of the department of treasury, the auditor general, the library of Michigan and depository libraries, and other officers and entities; to provide penalties; and to provide for meeting the expense authorized by this act,"

by amending the title and sections 1, 2, 5, 6, 7, 8, 9, 10, 11, and 12 (MCL 21.41, 21.42, 21.45, 21.46, 21.47, 21.48, 21.49, 21.50, 21.51, and 21.52), the title as amended by 1996 PA 426, section 5 as amended by 1993 PA 196, and sections 11 and 12 as amended by 1985 PA 48; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to provide for the formulation and establishment of a uniform system of accounting and reporting in the several departments, offices, and institutions of the state government, and in all county offices; to provide for the examination of the books and accounts of each state department, office, and institution, and of each county office; to provide for financial reports from all ~~such~~ THOSE departments, institutions, and offices, and for the tabulation and publication of comparative financial statistics relating ~~thereto~~ TO THE DEPARTMENTS, INSTITUTIONS, AND OFFICES; to provide for the administration of this act; to provide for the powers and duties of the department of treasury, the ~~auditor general~~ STATE TREASURER, the library of Michigan and depository libraries, and other officers and entities; to provide penalties; and to provide for meeting the expense authorized by this act.

Sec. 1. ~~It shall be the duty of the auditor general to~~ THE STATE TREASURER SHALL formulate, prescribe, and install a system of accounting and reporting in conformity with the provisions of this act that shall be uniform for every state department, office, and institution, and for every county office and public account of the same class. ~~The auditor general is hereby required and directed to proceed to carry out the requirements of this section immediately following the date this act takes effect.~~

Sec. 2. ~~Said~~ THE ACCOUNTING system shall embrace accounts showing all sources of income, the amounts due, collected and

1 received from each source, including all fees collected by county
2 officers whether turned into the county treasury or not, the
3 amount expended for each purpose, bills, and accounts payable;
4 the receipt, use, and disposition of other public property and
5 the income, if any, derived ~~therefrom~~ FROM THEM. ~~Said~~ THE
6 ACCOUNTING system shall also ~~embrace~~ INCLUDE accounts ~~which~~
7 ~~shall~~ THAT show for each industry conducted by any institution
8 or department of the state government the unit cost of operation
9 and shall be in ~~such~~ THE form as shall exhibit actual detailed
10 financial results of each industrial activity. ~~Said~~ THE
11 ACCOUNTING system shall ~~embrace such~~ INCLUDE other forms of
12 accounts as the ~~auditor general~~ STATE TREASURER may ~~deem~~
13 CONSIDER wise and essential to efficient financial administration
14 of public affairs pertaining to the state and county
15 governments.

16 Sec. 5. The ~~auditor general shall hereafter be~~ STATE
17 TREASURER IS the supervisor of the accounts of all state depart-
18 ments, institutions and offices, and of all county offices. The
19 ~~auditor general~~ STATE TREASURER may examine, or cause to be
20 examined, the books, accounts and financial affairs of each
21 department, institution, and office of the state government, and
22 of each county office. ~~Such~~ THE examination shall be made at
23 least once in each year, or as often as ~~in the judgment of the~~
24 ~~auditor general it shall~~ THE STATE TREASURER CONSIDERS IT TO be
25 for the public good. The ~~auditor general~~ STATE TREASURER may
26 employ ~~such~~ auditors, examiners, and assistants as he or she
27 considers necessary, the number and compensation of whom shall be

1 subject to the approval of the state administrative board and
2 shall be within the limits of the amount of money appropriated
3 for ~~such~~ THAT purpose. In addition to ~~such~~ THEIR compensa-
4 tion, they shall be paid their necessary traveling expenses,
5 which compensation and expenses, when audited and approved by the
6 ~~auditor general~~ STATE TREASURER, shall be paid by the state
7 treasurer out of the fund appropriated for that purpose, upon
8 warrant of the proper officer. The ~~auditor general and the~~
9 ~~deputy auditor general~~ STATE TREASURER shall receive ~~their~~ HIS
10 OR HER actual traveling expenses incurred while engaged in admin-
11 istering the provisions of this act, which shall be paid by the
12 state treasurer out of the funds appropriated for that purpose.
13 ~~, upon warrant of the auditor general.~~

14 Sec. 6. Upon demand of the ~~auditor general, deputy auditor~~
15 ~~general~~ STATE TREASURER, or any person duly appointed by the
16 ~~auditor general~~ STATE TREASURER, to make the examinations
17 ~~herein~~ provided IN THIS ACT, ~~it shall be the duty of~~ any and
18 all officers of the state and county governments ~~to~~ SHALL
19 produce, for examination, the books of account and papers of
20 their respective departments, institutions, and offices, and ~~to~~
21 SHALL truthfully answer all questions relating ~~thereto~~ TO THAT
22 EXAMINATION. In connection with ~~such~~ THE examinations, the
23 ~~auditor general, deputy auditor general~~ STATE TREASURER, or any
24 person designated to make ~~such~~ THE examinations, may issue sub-
25 poenas, direct the service ~~thereof~~ OF THOSE SUBPOENAS by any
26 police officer, and compel the attendance and testimony of
27 witnesses, may administer oaths and examine ~~such~~ THOSE persons

1 as may be necessary, and may compel the production of books and
2 papers. The orders and subpoenas issued by the ~~auditor general,~~
3 ~~deputy auditor general~~ STATE TREASURER, or by any person charged
4 with the duty of making the examinations ~~herein~~ AS provided IN
5 THIS SECTION, in pursuance of the authority in them vested by
6 provisions of this section, may be enforced upon their applica-
7 tion to any circuit court by proceedings in contempt, ~~therein,~~
8 as provided by law.

9 Sec. 7. A report shall be made, in duplicate, of each exam-
10 ination made in accordance with the provisions of this act.
11 ~~Said~~ THE duplicate report shall be signed and verified by the
12 officer making the examination, 1 copy of which shall be filed
13 ~~in the office of the auditor general~~ WITH THE STATE TREASURER
14 and 1 copy with the executive officer of the department,
15 institution, or office examined. If any ~~such~~ examination dis-
16 closes malfeasance, misfeasance, nonfeasance, or gross neglect of
17 duty on the part of any officer or ~~employee~~ EMPLOYEE of any
18 department, institution, or office of the state government, or on
19 the part of any officer or employee of any county office, for
20 which a criminal penalty is provided by law, an additional copy
21 of ~~such~~ THE report shall be made and filed with the attorney
22 general, ~~whose duty it shall be~~ AND THE ATTORNEY GENERAL,
23 within 60 days after receipt of ~~such~~ THAT report, ~~to~~ SHALL
24 institute criminal proceedings against ~~such~~ THE officer or
25 ~~employee~~ EMPLOYEE, or direct that ~~such~~ criminal proceedings be
26 instituted by the prosecuting attorney of the county in which the
27 offense was committed. ~~It shall also be the duty of the~~ THE

1 attorney general, or the prosecuting attorney, as the case may
 2 be, ~~to~~ ALSO SHALL institute civil action in any court of compe-
 3 tent jurisdiction for the recovery of any public ~~moneys~~ MONEY,
 4 disclosed by any ~~such~~ examinations to have been illegally
 5 expended, or collected and not accounted for ~~and also~~ AND for the
 6 recovery of any public property disclosed to have been converted
 7 and misappropriated. Refusal or neglect to comply with the
 8 requirements of this section on the part of the attorney general,
 9 or on the part of the prosecuting attorney of any county in the
 10 state, ~~shall be~~ IS sufficient cause for his OR HER removal from
 11 office by the governor.

12 Sec. 8. ~~It is hereby made the duty of the~~ THE executive
 13 officers of each state department, institution and office, and
 14 the executive officer of each county office, ~~to~~ SHALL adopt and
 15 use the books, forms, records and systems of accounting and
 16 reporting ~~prescribed by the auditor general~~ STATE TREASURER
 17 and ~~to~~ SHALL promptly purchase ~~such~~ THE books, forms, and
 18 records as may be necessary ~~thereto~~ TO IMPLEMENT THEIR USE, in
 19 the manner now provided by law for the purchase of ~~such~~ THOSE
 20 articles. Refusal or neglect on the part of any officer of any
 21 branch of the state government, or any county officer, to provide
 22 ~~such~~ THE books, forms, or records, or to use them, or to make
 23 the reports required by this act, or keep the accounts of his OR
 24 HER office as directed by the ~~auditor general~~ STATE TREASURER,
 25 ~~shall be~~ IS sufficient cause for his OR HER removal from office
 26 by the governor. ~~Provided, That~~ IF, after the uniform
 27 accounting system has been installed in any county, ~~should it~~

1 ~~become~~ IT BECOMES necessary for an examiner employed under this
 2 act to perform any service, which a county officer has neglected
 3 or refused to do, in order to properly continue ~~such~~ THE
 4 system, then the per diem and expense incurred ~~shall be~~ IS a
 5 proper charge against the county ~~wherein such~~ WHERE THE service
 6 was performed. A statement covering ~~such~~ THAT per diem and
 7 expense may be forwarded by the ~~auditor general~~ STATE TREASURER
 8 to the county clerk who shall ~~forthwith~~ IMMEDIATELY issue his
 9 OR HER warrant upon the county treasurer who shall pay it from
 10 the general fund of the county. Money so received by the state
 11 shall be paid into the state treasury to the credit of the gen-
 12 eral fund.

13 Sec. 9. The governor ~~shall have the power~~ MAY, and he ~~is~~
 14 ~~hereby directed~~ OR SHE SHALL upon a finding of guilt, ~~to~~
 15 remove from office the officer of any branch of the state govern-
 16 ment ~~,~~ or county government, who refuses or wilfully neglects
 17 to keep the accounts of his OR HER office in the manner and form
 18 prescribed by the ~~auditor general~~ STATE TREASURER, or to make
 19 the reports ~~herein~~ provided IN THIS ACT, or who refuses or
 20 neglects to comply with any other requirements of this act. ~~It~~
 21 ~~shall be the duty of the auditor general to~~ THE STATE TREASURER
 22 SHALL promptly report to the governor ~~,~~ each ~~such~~ refusal or
 23 neglect and ~~thereupon~~ the governor, before taking final action
 24 ~~thereon~~ ON THAT REPORT, shall summons the officer complained
 25 against to make answer why he OR SHE should not be removed from
 26 office.

1 Sec. 10. The ~~auditor general's~~ department OF TREASURY
2 shall be audited by the ~~state board of auditors who shall have~~
3 ~~like powers and authority for that purpose as hereby conferred~~
4 ~~upon the auditor general for the examination of other boards and~~
5 ~~institutions~~ AUDITOR GENERAL AS PROVIDED BY LAW.

6 Sec. 11. Any person who ~~shall give or offer~~ GIVES OR
7 OFFERS to any examiner, accountant, clerk, or other employee of
8 the ~~auditor general~~ DEPARTMENT OF TREASURY, any money, gift,
9 emolument, or thing of value for the purpose of influencing the
10 action of ~~such~~ THE examiner or other employee, in any matter
11 relating to the examination of any public account authorized by
12 this act, or for the purpose of preventing or delaying the exami-
13 nation of any ~~such~~ public account, or for the purpose of influ-
14 encing the action of the examiner or other employee, in framing,
15 changing, withholding, or delaying any report of any examination
16 of any ~~such~~ public account ~~shall be deemed~~ IS guilty of a
17 misdemeanor, punishable by a fine of not more than \$1,000.00 nor
18 less than \$200.00, or imprisonment for not more than 6 months and
19 not less than 30 days, or both.

20 Sec. 12. Any person appointed by the ~~auditor general~~
21 STATE TREASURER to make the examinations provided for under this
22 act, or any officer, clerk, or other employee of the ~~auditor~~
23 ~~general~~ STATE TREASURER, who ~~shall receive, or solicit~~
24 RECEIVES OR SOLICITS any money, gift, emolument, or anything of
25 value for the purpose of being influenced in the matter of the
26 examination of any public account authorized by this act, or for
27 the purpose of being influenced to prevent or delay the

1 examination of any ~~such~~ public account, ~~shall be deemed~~ IS
2 guilty of a misdemeanor, punishable by a fine of not more than
3 \$1,000.00 and not less than \$200.00, or imprisonment for not more
4 than 6 months and not less than 30 days, or both.

5 Enacting section 1. Section 13 of 1919 PA 71, MCL 21.53, is
6 repealed.