

# HOUSE BILL NO. 4336

March 12, 2019, Introduced by Reps. Steven Johnson and LaFave and referred to the Committee on Oversight.

A bill to amend 2003 PA 1, entitled

"An act to provide for the audit and examination of this state and state funds; to provide for the audit and examination of the books and accounts of all branches, departments, offices, boards, commissions, agencies, authorities, and institutions of this state; to prescribe powers and duties of certain state officers and employees; to provide for access to certain records; to provide for the subpoena of witnesses and production of documents and records; to prescribe penalties; and to provide for the administration of this act,"

by amending the title and section 1 (MCL 13.101).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**



## 1 TITLE

2 An act to provide for the audit and examination of this state  
3 and state funds; to provide for the audit and examination of the  
4 books and accounts of all branches, departments, offices, boards,  
5 commissions, agencies, authorities, and institutions of this state;  
6 to prescribe powers and duties of certain state officers and  
7 employees; to provide for access to ~~certain~~ records; to provide for  
8 the subpoena of witnesses and production of documents and records;  
9 to prescribe penalties; and to provide for the administration of  
10 this act.

11 Sec. 1. (1) ~~The~~ **As provided for in section 53 of article IV of**  
12 **the state constitution of 1963, the** auditor general shall conduct  
13 audits and examinations of all branches, departments, offices,  
14 boards, commissions, agencies, authorities, and institutions of  
15 this state.

16 (2) ~~In~~ **Notwithstanding any other provision of law to the**  
17 **contrary except as provided in subsection (10) or where the auditor**  
18 **general's access is expressly and specifically limited by law, in**  
19 connection with the audits and examinations described in this act,  
20 the auditor general may **access and** examine, or cause to be **accessed**  
21 **and** examined, the books, accounts, documents, records,  
22 **electronically stored information, performance activities, and**  
23 financial affairs, **including, but not limited to, confidential**  
24 **information, of each branch, department, office, board, commission,**  
25 agency, authority, and institution of this state. **All of the**  
26 **following apply to confidential information obtained under this**  
27 **subsection:**

28 (a) The auditor general is subject to the same duty of  
29 confidentiality imposed by law on the entity providing the

1 confidential information.

2 (b) The auditor general is subject to any civil or criminal  
3 penalties imposed by law for willfully and intentionally disclosing  
4 that confidential information.

5 (c) Notwithstanding any other provision of law to the  
6 contrary, state officers and employees of all branches,  
7 departments, offices, boards, commissions, agencies, authorities,  
8 and institutions of this state are not subject to civil or criminal  
9 penalties imposed by state law for providing information requested  
10 by the auditor general.

11 (3) Upon demand of the auditor general, deputy auditor  
12 general, or any ~~person~~**individual** appointed by the auditor general  
13 to make the audits and examinations provided in this act, the  
14 officers and employees of all branches, departments, offices,  
15 boards, commissions, agencies, authorities, and institutions of  
16 this state shall produce **or provide** for **unrestricted access and**  
17 examination all books, accounts, documents, ~~and~~**records, and**  
18 **electronically stored information, including, but not limited to,**  
19 **confidential information,** of their respective branch, department,  
20 office, board, commission, agency, authority, and institution and  
21 truthfully answer all questions relating to their books, accounts,  
22 documents, ~~and~~**records, and electronically stored information,**  
23 **including, but not limited to, confidential information,** of their  
24 respective activities and affairs.

25 (4) The entity providing the information to the auditor  
26 general under this act is responsible for paying all costs to  
27 produce the information.

28 (5) State officers and employees shall not restrict the  
29 auditor general's access to information requested regardless of

1 whether the information is sought for the purpose of performing an  
2 audit of another state program or agency.

3 (6) ~~(4)~~—In connection with audits and examinations described  
4 in this act, the auditor general, deputy auditor general, or any  
5 ~~person~~**individual** appointed to make audits and examinations may  
6 issue subpoenas, direct the service of the subpoena by any police  
7 officer, and compel the attendance and testimony of witnesses; may  
8 administer oaths and examine any ~~person~~**individual** as may be  
9 necessary; and may compel the production of books, accounts,  
10 papers, documents, ~~and~~ records, **and electronically stored**  
11 **information, including, but not limited to, confidential**  
12 **information.** The orders and subpoenas issued by the auditor  
13 general, deputy auditor general, or any ~~person~~**individual** appointed  
14 with the duty of making the examinations provided in this  
15 subsection may be enforced upon application to any circuit court as  
16 provided by law.

17 (7) ~~(5)~~—The auditor general may employ and compensate  
18 auditors, examiners, and assistants as he or she considers  
19 necessary. In addition, the auditors, examiners, and assistants  
20 ~~shall~~**must** be paid their necessary traveling expenses while  
21 engaging in the duties provided under this act. Compensation and  
22 expenses ~~shall~~**must** be paid out of the funds appropriated for that  
23 purpose. The auditor general and the deputy auditor general ~~shall~~  
24 **must** receive their actual traveling expenses incurred while  
25 engaging in the duties provided under this act, which ~~shall~~**must** be  
26 paid out of the funds appropriated for that purpose.

27 (8) ~~(6)~~—Any ~~person~~**individual** who gives or offers to any  
28 examiner, accountant, clerk, or other employee of the auditor  
29 general, any money, gift, emolument, or thing of value for the



1 purpose of influencing the action of the examiner or other  
 2 employee, in any matter relating to the examination of any public  
 3 account authorized by this act, or for the purpose of preventing or  
 4 delaying the examination of any public account, or for the purpose  
 5 of influencing the action of the examiner or other employee, in  
 6 framing, changing, withholding, or delaying any report of any  
 7 examination of any public account, is guilty of a misdemeanor ~~7~~  
 8 punishable by **imprisonment for not less than 30 days or more than 6**  
 9 **months, or** a fine of not **less than \$200.00 or** more than \$1,000.00,  
 10 ~~nor less than \$200.00, or imprisonment for not more than 6 months~~  
 11 ~~and not less than 30 days, or both.~~

12 (9) ~~(7)~~ Any ~~person~~ **individual** appointed by the auditor general  
 13 to make the examinations provided for under this act, or any  
 14 officer, clerk, or other employee of the auditor general, who  
 15 receives or solicits any money, gift, emolument, or anything of  
 16 value for the purpose of being influenced in the matter of the  
 17 examination of any public account authorized by this act, or for  
 18 the purpose of being influenced to prevent or delay the examination  
 19 of any public account, is guilty of a misdemeanor ~~7~~ punishable by  
 20 **imprisonment for not less than 30 days or more than 6 months, or a**  
 21 **fine of not less than \$200.00 or** more than \$1,000.00, ~~and not less~~  
 22 ~~than \$200.00, or imprisonment for not more than 6 months and not~~  
 23 ~~less than 30 days, or both.~~

24 (10) This act does not authorize the auditor general to access  
 25 or examine records or information subject to the attorney-client  
 26 privilege.

27 (11) All working papers and records of the auditor general in  
 28 connection with audits and examinations are exempt from public  
 29 disclosure under the freedom of information act, 1976 PA 442, MCL

1 15.231 to 15.246.

2 (12) ~~(8)~~—As used in this act:

3 (a) "Audit" means a post audit of financial transactions and  
4 accounts or performance audit as described in section 53 of article  
5 IV of the state constitution of 1963.

6 (b) "Auditor general" means the individual appointed auditor  
7 general under section 53 of article IV of the state constitution of  
8 1963.

9 (c) "Confidential information" means information that is  
10 subject to a legal duty to not disclose its contents.

11 (d) ~~(e)~~—"Examination" means an inquiry, compilation, or review  
12 within the scope of the auditor general's authority under section  
13 53 of article IV of the state constitution of 1963.

