

**THE MANAGEMENT AND BUDGET ACT (EXCERPT)**  
**Act 431 of 1984**

**18.1470 Procurement contract for services; audit of vendor to verify compliance; provision; availability; exemption; "auditor general" defined.**

Sec. 470. (1) Beginning January 1, 2013, if a state agency enters into a procurement contract for services, the contract shall provide that the department or its designee may audit the vendor to verify compliance with the contract. The financial and accounting records associated with the contract shall be made available to the department or its designee and the auditor general, upon request, during the term of the contract and any extension of the contract and for 3 years after the later of the expiration date or final payment under the contract. The department and its designee shall not audit any matters outside the scope of the individual contract unless there is a separate constitutional or statutory basis for that audit.

(2) Beginning January 1, 2013, if a person receives a grant of state funds, the person shall agree to allow the department or its designee to audit the person to verify compliance with the terms of the grant. The person shall also agree that the financial and accounting records associated with the grant shall be made available to the department or its designee and the auditor general, upon request, during the term of the grant and any extension of the grant and for 3 years after the later of the expiration date or final payment under the grant. The department and its designee shall not audit any matters outside the scope of the individual grant unless there is a separate constitutional or statutory basis for that audit.

(3) Proprietary financial and accounting data and records associated with the contract or grant shall be exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(4) Nothing in this section shall limit the constitutional or statutory authority of the auditor general.

(5) As used in this section, "auditor general" means the auditor general or a certified public accounting firm selected by the auditor general to conduct the audit.

**History:** Add. 2012, Act 230, Imd. Eff. June 29, 2012.

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