

The House Committee on Rules offers the following substitute to SB 300:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,
2 so as to require each department, commission, authority, and agency of the executive branch
3 of government to provide certain financial reports annually to the General Assembly; to
4 provide for audits and the examination of books and records; to provide for the contents of
5 such reports; to provide for the time of submitting such reports; to provide for the creation
6 and maintenance of a website which provides public access to certain state expenditure
7 information; to provide for a short title; to provide for procedures, conditions, and
8 limitations; to provide for powers, duties, and authority of the Department of Audits and
9 Accounts and the Department of Revenue; to provide for related matters; to repeal
10 conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
14 by adding a new Code section to read as follows:

15 "50-6-3.1.

16 (a) As used in this Code section, the term 'agency' means each department, commission,
17 authority, and agency of the executive branch of government and the Board of Regents of
18 the University System of Georgia.

19 (b) On or before September 30, 2010, and on or before September 30 of each following
20 year, each agency shall file with the presiding officers of each house of the General
21 Assembly and with the chairpersons of the Senate Appropriations Committee, the House
22 Committee on Appropriations, the House Budget Office, the Senate Budget Office, and the
23 Department of Audits and Accounts a report covering the immediately preceding fiscal
24 year that contains the information required by this Code section.

25 (c) The report required by this Code section shall contain:

- 1 (1) A statement of the tax revenues and operating revenues received by the agency
2 during the immediately preceding fiscal year;
- 3 (2) A statement of the total expenditures made by the agency during the immediately
4 preceding fiscal year;
- 5 (3) A list of all written contracts entered into by the agency during the immediately
6 preceding fiscal year which call for the agency to expend at any time in the aggregate
7 more than \$50,000.00;
- 8 (4) A list of any employment or consultant contracts, whether or not in writing, under
9 which the employee or consultant is to be compensated more than \$20,000.00 in the
10 aggregate, including direct and indirect or deferred benefits. When a person or firm
11 whose salary or fee is reportable under this paragraph shall have his or her compensation
12 increased, the amount of such increase and the total new rate shall be reported. The list
13 of contracts shall state the anticipated amount of funds to be paid thereunder or the
14 formula for determining such amount;
- 15 (5) A list of the names of each person, firm, or corporation that has received from the
16 agency during the immediately preceding fiscal year payments in excess of \$20,000.00
17 in the aggregate, including the amount paid to such person, firm, or corporation during
18 such period; and
- 19 (6) A list of consultant expenses and other professional services expenses; salaries and
20 expenses of full-time and part-time employees and board members; and payments
21 rendered by outside companies or agencies to the agency for any and all services. Social
22 security numbers shall not be used as employee identifiers in these reports.
- 23 (d) The report required by this Code section shall be in addition to any other reports that
24 an agency shall make to the General Assembly pursuant to other provisions of law."

25 SECTION 2.

26 Said title is further amended by revising Code Section 50-6-4, relating to special
27 examinations, audits, and vulnerability assessments, as follows:

28 "50-6-4.

29 ~~Either the~~ The Governor, the Appropriations Committee of the House of Representatives,
30 or the Appropriations Committee of the Senate shall have the right and authority to direct
31 and require the state auditor to make a special examination into and audit of all the books,
32 records, accounts, vouchers, warrants, bills, and other papers, records, financial
33 transactions, and management of any department, institution, agency, commission, bureau,
34 authority, or office of the state at any time. The state auditor may conduct special
35 examinations and audits which are, without limitation, financial audits (including financial
36 related audits and financial statement audits), compliance audits, performance audits, and

1 vulnerability assessments or reviews. Without limitation, vulnerability assessments or
 2 reviews may be made with respect to any electronic financial information systems; other
 3 information, management, or operational systems; computers; computer operating and
 4 applications software; computing networks; Internet websites; and data processing centers.
 5 Tests conducted in connection with such reviews and assessments may include, but are not
 6 limited to, penetration testing and network, web, and data base scanning."

7 **SECTION 3.**

8 Said title is further amended by revising Code Section 50-6-7, relating to state officials to
 9 produce books, records, and other papers to the state auditor for examination, as follows:

10 "50-6-7.

11 All officers, agents, employees, departments, institutions, commissions, authorities, and
 12 bureaus of the state shall produce and turn over to the state auditor or his or her assistants
 13 for examination and audit, whenever demanded by the state auditor, all of their books,
 14 records, accounts, vouchers, warrants, bills, and other papers dealing with or reflecting
 15 upon the financial transactions and management of such department, institution, agency,
 16 commission, authority, bureau, or ~~officer~~ office, including any and all cash on hand, but
 17 not including cash in banks, the amount of cash in banks to be ascertained by certificate
 18 furnished to the state auditor by the bank."

19 **SECTION 4.**

20 Said title is further amended by revising Code Section 50-6-24, relating to duties and powers
 21 of the state auditor, as follows:

22 "50-6-24.

23 The duties and powers of the state auditor shall be as follows:

24 (1) Reserved;

25 (2) To examine thoroughly all financial transactions of all the state departments,
 26 institutions, agencies, commissions, bureaus, authorities, and officers and to keep such
 27 accounting records as are necessary to provide and maintain a current check upon the
 28 fiscal affairs and transactions of all state departments, institutions, agencies, etc.;

29 (3) To examine and audit thoroughly, at least once a year and more frequently if
 30 possible, each and all of the books, records, accounts, vouchers, warrants, bills, and all
 31 other papers and records of each and every department, institution, agency, commission,
 32 bureau, authority, and officer of the state which or who receives funds from the state or
 33 which is maintained in whole or in part by public funds, fees, or commissions. Upon the
 34 completion of each audit the state auditor shall prepare a complete report of the same in
 35 triplicate, one copy of which ~~he~~ shall ~~file~~ be filed with the official in charge of the

1 department, institution, etc., so examined, one copy of which ~~he~~ shall ~~transmit~~ be
 2 transmitted to the Governor, and the third copy of which shall be filed in the office of the
 3 state auditor as a permanent record and for the use of the press of the state. In any such
 4 report, the state auditor shall call special attention to any illegal, improper, or unnecessary
 5 expenditures; all failures to keep records and vouchers required by the law; and all
 6 inaccuracies, irregularities, and shortages and shall make specific recommendations for
 7 the future avoidance of the same;

8 (4) To prepare annual and, whenever required, special reports to the Governor and the
 9 General Assembly showing the general financial operation and management of each state
 10 department, institution, agency, commission, authority, and bureau; showing whether or
 11 not the same is being handled in an efficient and economical manner; and calling special
 12 attention to any excessive cost of operation or maintenance, any excessive expense, and
 13 any excessive price paid for goods, supplies, or labor by any such department, institution,
 14 agency, etc.; and

15 (5) To make special examination into and report of the place and manner in which the
 16 funds of the state are kept by the several departments, institutions, agencies,
 17 commissions, bureaus, authorities, and officers after the same have been drawn from the
 18 state treasury or after the same have been collected and to report who has possession of
 19 the same or where the same are deposited, whether the same draw interest, the rate of
 20 interest, and whether the same are properly protected by bond, provided that this chapter
 21 shall not be construed so as to authorize the state auditor to remove or in any way
 22 interfere with any funds so deposited."

23 SECTION 5.

24 Said title is further amended by revising Code Section 50-6-25, relating to maintenance of
 25 statistics on architectural and engineering firms doing business with the state and ineligibility
 26 of firms, as follows:

27 "50-6-25.

28 (a)(1) The state auditor shall maintain statistics on all architectural and engineering firms
 29 doing business with the various departments, agencies, authorities, and public
 30 corporations of the state, except the Department of Transportation which shall be
 31 governed by paragraph (2) of this subsection. The statistics shall show the percentage of
 32 the total state business done by each such firm and shall be made available to the General
 33 Assembly and all departments, agencies, authorities, and public corporations of the state
 34 using architectural and engineering services. The state auditor shall compile the statistics
 35 and shall maintain the statistics current on a monthly basis.

1 (2) The state auditor shall include in the statistics provided for in paragraph (1) of this
2 subsection all architectural and engineering firms doing business with the Department of
3 Transportation. The Department of Transportation shall report its architectural and
4 engineering contracts to the state auditor in two divisions. In the first division, such
5 department shall report those contracts which are under a gross value of \$1 million at the
6 time of execution by the total contract amount without accounting for any subcontracts.
7 In the second division, such department shall report those contracts with a gross value in
8 excess of \$1 million at the time of execution and shall report all subcontracts thereunder
9 which are in excess of \$25,000.00 as further provided for in this Code section. The
10 statistics shall show the total percentage of state business done by each such firm and
11 shall be made available to the General Assembly and the Department of Transportation.
12 The state auditor shall compile the statistics and shall maintain the statistics current on
13 a monthly basis. With respect to any contract of the Department of Transportation in
14 excess of \$1 million with an architectural or engineering firm which awards a portion of
15 the business in an amount in excess of \$25,000.00 under such contract to one or more
16 subcontractors or joint-venture partners, such department shall report to the state auditor
17 the amount of each subcontractor or joint-venture partner with that portion of the business
18 awarded to such subcontractor or joint-venture partner, and such amounts shall not be
19 listed or included as business of the Department of Transportation awarded to the
20 architectural or engineering firm receiving the state contract. The architectural or
21 engineering firm shall report to the Department of Transportation, as part of its preaward
22 audit conducted by such department, the amount of business in excess of \$25,000.00
23 under an anticipated contract which the contractor intends to award to any subcontractor
24 or joint-venture partner, and, after verification that the information reported is correct, the
25 Department of Transportation shall furnish such information to the state auditor. The
26 state auditor shall revise the statistics with respect to architectural and engineering firms
27 currently doing business with the Department of Transportation with respect to contracts
28 outstanding on April 19, 1995, under which all services have not been performed by such
29 architectural and engineering firms in satisfaction of the contract. Such revised statistics
30 shall be computed in accordance with the provisions of this subsection crediting
31 subcontractors and joint-venture partners with business awarded to them and providing
32 that such amounts credited shall not be listed or included as business of the state awarded
33 to the architectural or engineering firm receiving the state contract. Such revised
34 statistics shall be provided by the contractor within 60 days of April 19, 1995, and, after
35 such time, the state auditor shall not be required to revise such statistics.

36 (b) Any architectural or engineering firm which has received more than 10 percent of the
37 total awarded for such services by the departments, agencies, authorities, and public

1 corporations of the state during any period of 36 months, as calculated pursuant to the
 2 provisions of subsection (a) of this Code section and shown by the statistics of the state
 3 auditor, shall be ineligible to contract with any department, agency, authority, or public
 4 corporation of the state until the firm, during any period of 36 months, has been awarded
 5 less than 10 percent of the total awarded for such services; provided, however, that any
 6 architectural or engineering firm may contract with the Department of Transportation for
 7 not more than 30 percent of the total awarded for such services, 10 percent for
 8 transportation purposes, and 20 percent for tollway purposes."

9 **SECTION 6.**

10 Said title is further amended by revising Code Section 50-6-27, relating to annual personnel
 11 report, copies for the General Assembly, and public inspection, as follows:

12 "50-6-27.

13 The state auditor shall prepare each year a report showing the entire personnel of every
 14 office, institution, board, department, and commission in the executive department of the
 15 state government, of every state authority, of every university or college in the University
 16 System of Georgia, and of every local board of education. The report shall list the name,
 17 title or functional area, salary, and travel expense incurred by each such individual, which
 18 information shall be allocated to the respective office, institution, board, department,
 19 commission, authority, university, college, or local board of education affected. The report
 20 shall be kept in the state auditor's office and shall be available for public inspection during
 21 regular business hours. Copies of the report or portions of the report shall be made
 22 available on request and posted online in a searchable data base. Each office, institution,
 23 board, department, commission, authority, university, college, and local board of education
 24 is required and directed to submit to the state auditor, in a format prescribed by the state
 25 auditor, a listing of all personnel of such office, institution, board, department, commission,
 26 authority, university, college, or local board of education showing name, title or functional
 27 area, salary, and travel expense for each individual. The state auditor shall furnish each
 28 member of the General Assembly a card or form so that a copy of such report may be
 29 requested by any member who desires one."

30 **SECTION 7.**

31 Said title is further amended by revising Code Section 50-6-30, relating to conducting
 32 hearings and assistance of the Attorney General, as follows:

33 "50-6-30.

34 A hearing as provided in Code Section 50-6-29 shall be held in the county where the
 35 department or institution being investigated is located and shall be presided over by the

1 state auditor. The state auditor shall, at any time when he or she deems necessary, request
 2 of the Governor, Lieutenant Governor, or Speaker of the House of Representatives legal
 3 assistance in conducting the investigation. Upon such request, the Governor shall
 4 designate the Attorney General, his or her assistants, or any special assistant attorney
 5 general for the purpose of assisting the state auditor in the prosecution of the investigation."

6 SECTION 8.

7 Said title is further amended by adding a new Code section to read as follows:

8 "50-6-32.

9 (a) This Code section shall be known and may be cited as the 'Transparency in
 10 Government Act.'

11 (b) As used in this Code section, the term 'searchable website' means a website that allows
 12 the public to review and analyze information identified in subsection (c) of this Code
 13 section.

14 (c) No later than January 1, 2009, the department shall develop and operate a single
 15 searchable website accessible by the public, at no cost, that provides the following
 16 information pertaining to state fiscal year 2008:

17 (1) The State of Georgia Comprehensive Annual Financial Report that includes an
 18 indexed statement of operations and a statement of financial condition of the state in
 19 accordance with governmental generally acceptable accounting principles;

20 (2) The annual Budgetary Compliance Report for the state that provides, by agency, an
 21 indexed report comparing budgeted and actual revenues and expenditures by budgetary
 22 units for each organization included in the Appropriations Act, as amended;

23 (3) The annual State of Georgia Single Audit Report that provides, by federal grant, an
 24 indexed listing of all expenditures of federal funds and also discloses by state
 25 organization any audit findings and corrective actions to be taken;

26 (4) An annual report of annual salaries and travel expense reimbursements paid to each
 27 state employee during the preceding fiscal year by state organization;

28 (5) An annual listing of all payments for professional services by vendor and paying
 29 organization;

30 (6) State Budget in Brief, indexed by reporting agency; and

31 (7) All performance audits conducted by the department for the preceding five years.

32 As soon as is practical after the close of each fiscal year, the department shall update the
 33 single searchable website for such fiscal year to include the information set forth in this
 34 subsection.

35 (d) No later than January 1, 2010, the department shall develop and add to the searchable
 36 website a report of all grant and contract payments made or due to all vendors by agencies

1 reporting through the state's general financial accounting and information system and all
2 payments made through economic and incentive programs operated by the Department of
3 Economic Development, the Department of Labor, the Department of Community Affairs,
4 the Department of Agriculture, and the Georgia Lottery Corporation pertaining to state
5 fiscal year 2009. As soon as is practical after the close of each fiscal year, the department
6 shall update the single searchable website for such fiscal year to include the information
7 set forth in subsection (c) of this Code section.

8 (e) All agencies of state government shall provide to the Department of Audits and
9 Accounts such information as is necessary to accomplish the purposes of this Code section.

10 (f) Nothing in this Code section shall require the disclosure of information which is
11 considered confidential by state or federal law."

12 **SECTION 9.**

13 All laws and parts of laws in conflict with this Act are repealed.