



February 2, 1999

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## HOUSE BILL No. 1315

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DIGEST OF HB1315 (Updated January 27, 1999 4:37 pm - DI 94)

**Citations Affected:** IC 5-11.

**Synopsis:** State board of accounts audit threshold. Provides that an examination of accounts and financial affairs by the state board of accounts of an entity organized as a nonprofit corporation that derives at least 50% but less than \$100,000 of its disbursements from public funds is limited to matters relevant to the use of public money received by the entity.

**Effective:** July 1, 1999.

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**Bischoff, Ruppel, Oxley, Thompson**

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January 12, 1999, read first time and referred to Committee on Financial Institutions.  
February 1, 1999, reported — Do Pass.

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HB 1315—LS 7160/DI 87+



February 2, 1999

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## HOUSE BILL No. 1315

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-11-1-9 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) The state examiner,  
3 personally or through the deputy examiners, field examiners, or private  
4 examiners, shall examine all accounts and all financial affairs of every  
5 public office and officer, state office, state institution, and entity.  
6 (b) An examination of an entity deriving:  
7 (1) less than fifty percent (50%); or  
8 (2) at least fifty percent (50%) but less than **sixty one hundred**  
9 thousand dollars ~~(\$60,000)~~ **(\$100,000)** if the entity is organized  
10 as a not-for-profit corporation;  
11 of its disbursements during the period of time subject to an  
12 examination from appropriations, public funds, taxes, and other sources  
13 of public expense shall be limited to matters relevant to the use of the  
14 public money received by the entity.  
15 (c) The examination of an entity described in subsection (b) may be  
16 waived or deferred by the state examiner if the state examiner  
17 determines in writing that all disbursements of public money during the

**HB 1315—LS 7160/DI 87+**



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1 period subject to examination were made for the purposes for which the  
2 money was received.

3 (d) On every examination under this section, inquiry shall be made  
4 as to the following:

5 (1) The financial condition and resources of each municipality,  
6 office, institution, or entity.

7 (2) Whether the laws of the state and the uniform compliance  
8 guidelines of the state board of accounts established under section  
9 24 of this chapter have been complied with.

10 (3) The methods and accuracy of the accounts and reports of the  
11 person examined.

12 The examinations shall be made without notice.

13 (e) If during an examination of a state office under this chapter the  
14 examiner encounters an inefficiency in the operation of the state office,  
15 the examiner may comment on the inefficiency in the examiner's report.

16 (f) The state examiner, deputy examiners, any field examiner, or any  
17 private examiner, when engaged in making any examination or when  
18 engaged in any official duty devolved upon them by the state examiner,  
19 is entitled to do the following:

20 (1) Enter into any state, county, city, township, or other public  
21 office in this state, or any entity, agency, or instrumentality, and  
22 examine any books, papers, documents, or electronically stored  
23 information for the purpose of making an examination.

24 (2) Have access, in the presence of the custodian or the  
25 custodian's deputy, to the cash drawers and cash in the custody of  
26 the officer.

27 (3) During business hours, examine the public accounts in any  
28 depository that has public funds in its custody pursuant to the  
29 laws of this state.

30 (g) The state examiner, deputy examiner, or any field examiner,  
31 when engaged in making any examination authorized by law, may issue  
32 subpoenas for witnesses to appear before the examiner in person or to  
33 produce books, papers, or other records (including records stored in  
34 electronic data processing systems) for inspection and examination.  
35 The state examiner, deputy examiner, and any field examiner may  
36 administer oaths and examine witnesses under oath orally or by  
37 interrogatories concerning the matters under investigation and  
38 examination. Under the authority of the state examiner, the oral  
39 examinations may be transcribed with the reasonable expense paid by  
40 the examined person in the same manner as the compensation of the  
41 field examiner is paid. The subpoenas shall be served by any person  
42 authorized to serve civil process from any court in this state. If a



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1 witness duly subpoenaed refuses to attend, refuses to produce  
2 information required in the subpoena, or attends and refuses to be  
3 sworn or affirmed, or to testify when called upon to do so, the examiner  
4 may apply to the circuit court having jurisdiction of the witness for the  
5 enforcement of attendance and answers to questions as provided by the  
6 law governing the taking of depositions.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1315, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BODIKER, Chair

Committee Vote: yeas 13, nays 0.

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