

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**

**No. 1552** Session of  
2008

INTRODUCED BY PICCOLA, ERICKSON, BAKER, FOLMER, O'PAKE, EARLL,  
BRUBAKER, BOSCOLA AND PIPPY, SEPTEMBER 12, 2008

REFERRED TO FINANCE, SEPTEMBER 12, 2008

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,  
2 as amended, "An act relating to the finances of the State  
3 government; providing for the settlement, assessment,  
4 collection, and lien of taxes, bonus, and all other accounts  
5 due the Commonwealth, the collection and recovery of fees and  
6 other money or property due or belonging to the Commonwealth,  
7 or any agency thereof, including escheated property and the  
8 proceeds of its sale, the custody and disbursement or other  
9 disposition of funds and securities belonging to or in the  
10 possession of the Commonwealth, and the settlement of claims  
11 against the Commonwealth, the resettlement of accounts and  
12 appeals to the courts, refunds of moneys erroneously paid to  
13 the Commonwealth, auditing the accounts of the Commonwealth  
14 and all agencies thereof, of all public officers collecting  
15 moneys payable to the Commonwealth, or any agency thereof,  
16 and all receipts of appropriations from the Commonwealth,  
17 authorizing the Commonwealth to issue tax anticipation notes  
18 to defray current expenses, implementing the provisions of  
19 section 7(a) of Article VIII of the Constitution of  
20 Pennsylvania authorizing and restricting the incurring of  
21 certain debt and imposing penalties; affecting every  
22 department, board, commission, and officer of the State  
23 government, every political subdivision of the State, and  
24 certain officers of such subdivisions, every person,  
25 association, and corporation required to pay, assess, or  
26 collect taxes, or to make returns or reports under the laws  
27 imposing taxes for State purposes, or to pay license fees or  
28 other moneys to the Commonwealth, or any agency thereof,  
29 every State depository and every debtor or creditor of the  
30 Commonwealth," further providing for audits of accounts of  
31 debtors and agents of the Commonwealth, for audits of affairs  
32 of departments, boards and commissions and for audits of  
33 agencies receiving State aid.

1 The General Assembly of the Commonwealth of Pennsylvania  
2 hereby enacts as follows:

3 Section 1. Section 401 of the act of April 9, 1929 (P.L.343,  
4 No.176), known as The Fiscal Code, is amended by adding a  
5 subsection to read:

6 Section 401. Audits of Accounts of Debtors and Agents of the  
7 Commonwealth.--The Department of the Auditor General shall have  
8 the power, and its duty shall be,

9 \* \* \*

10 (f) To audit the financial affairs of the unified judicial  
11 system and the General Assembly and its legislative service  
12 agencies.

13 Section 2. Section 402 of the act, amended May 31, 1957  
14 (P.L.237, No.115) and March 18, 1971 (P.L.109, No.4), is amended  
15 to read:

16 Section 402. Audits of Affairs of Departments, Boards and  
17 Commissions.--Except as may otherwise be provided by law it  
18 shall be the duty of the Department of the Auditor General to  
19 make all audits of transactions after their occurrence, which  
20 may be necessary, in connection with the administration of the  
21 financial affairs of the government of this Commonwealth, with  
22 the exception of those of the Department of the Auditor General.  
23 It shall be the duty of the Governor to cause such audits to be  
24 made of the affairs of the Department of the Auditor General.

25 At least one audit shall be made each year of the affairs of  
26 every department, board, and commission of the executive  
27 [branch], legislative and judicial branches of the government,  
28 and all collections made by departments, boards, or commissions,  
29 and the accounts of every State institution, shall be audited  
30 quarterly.

1 Special audits of the affairs of all departments, boards,  
2 commissions, or officers, may be made whenever they may, in the  
3 judgment of the Auditor General, appear necessary[, and].

4 Special audits of the affairs of executive departments, boards,  
5 commissions, or officers shall be made whenever the Governor  
6 shall call upon the Auditor General to make them.

7 Copies of all audits made by the Department of the Auditor  
8 General shall be promptly submitted to the Governor and shall be  
9 made available to the public on the Auditor General's Internet  
10 website.

11 Unless the Department of the Auditor General shall fail or  
12 refuse to make annual, quarterly, or special audits, as  
13 hereinabove required, it shall be unlawful for any other  
14 administrative department, any independent administrative board  
15 or commission, or any departmental administrative or advisory  
16 board or commission, to expend any money appropriated to it by  
17 the General Assembly for any audit of its affairs, or, in the  
18 case of departments, of any boards or commissions connected with  
19 them, except for the reimbursement of the General Fund for  
20 audits made by the Department of the Auditor General as provided  
21 by law, or for the payment of the compensation and expenses of  
22 such auditors as are regularly employed as part of the  
23 administrative staffs of such departments, boards, or  
24 commissions, respectively.

25 Section 3. Section 403 of the act is amended to read:

26 Section 403. Audits of Agencies Receiving State Aid.--The  
27 Department of the Auditor General shall have the power, and its  
28 duty shall be, to audit the accounts and records of every  
29 person, association, corporation, and public agency, receiving  
30 an appropriation of money, payable out of any fund in the State

1 Treasury, or entitled to receive any portion of any State tax  
2 for any purpose whatsoever, as far as may be necessary to  
3 satisfy the department that the money received was expended or  
4 is being expended for no purpose other than that for which it  
5 was paid. Copies of all such audits shall be furnished to the  
6 Governor and shall be made available to the public on the  
7 Auditor General's Internet website.

8 If at any time the department shall find that any money  
9 received by any person, association, corporation, or public  
10 agency, has been expended for any purpose other than that for  
11 which it was paid, or if the department finds evidence of a  
12 criminal act, it shall forthwith notify the [Governor, and]  
13 appropriate Federal and State law enforcement officials. The  
14 department shall decline to approve any further requisition for  
15 the payment of any appropriation, or any further portion of any  
16 State tax, to such person, association, corporation or public  
17 agency, until an amount equal to that improperly expended shall  
18 have been expended for the purpose for which the money  
19 improperly expended was received from the State Treasury.

20 Section 4. This act shall take effect immediately.