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BILL



ANALYSIS

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House Bill 4259 (as passed by the House)
Sponsor: Representative Joseph Graves
House Committee: Oversight
Senate Committee: Government Operations

Date Completed: 12-4-18

CONTENT

The bill would amend Public Act 1 of 2003, which provides for the audit and examination of the State and State funds, to do the following:

- **Allow the Auditor General to access and examine, or caused to be accessed and examined electronically stored information and confidential information of each State branch, department, office, agency, and institution.**
- **Require a State branch, department, office, board, commission, agency, authority, or institution to provide the Auditor General with unrestricted access to materials currently specified under the Act, as well as electronically stored information, and confidential information.**
- **Authorize the Auditor General to compel the production of electronically stored information, and confidential information.**

The Act requires the Auditor General to conduct audits and examinations of all State branches, departments, offices, boards, commissions, agencies, authorities, and institutions. In connection with those audits and examinations, the Auditor General may examine, or cause to be examined, the books, accounts, documents, records, performance activities, and financial affairs of each branch, department, office, board, commission, agency, authority, and institution of the State. Under the bill, the Auditor General also could access and examine, or caused to be accessed and examined, those materials, as well as electronically stored information, and including confidential information of each State branch, department, office, board, commission, agency, authority, and institution. Both of the following would apply to confidential information obtained as described above:

- The Auditor General would be subject to the same duty of confidentiality imposed by law on the entity providing the confidential information.
- The Auditor General would be subject to a civil or criminal penalties imposed by law for willfully and intentionally disclosing the information.

The Act specifies that upon demand of the Auditor General, the Deputy Auditor General or a person appointed by the Auditor General to make an audit or examination, the officers and employees of all State branches, departments, offices, boards, commissions, agencies, authorities, and institutions must produce for examination all books, accounts, documents, and records, and must truthfully answer all questions related to those materials. Under the bill, State branch, department, office, board, commission, agency, authority, or institution would have to provide for unrestricted access to those materials, as well as electronically

stored information, and including confidential information, as well as answer truthfully all questions relating those materials.

In connection with an audit or examinations, the Auditor General, Deputy Auditor General, or a person appointed to make an audit or examination may, among other things, compel the production of books, accounts, papers, documents, and records. Under the bill, the Auditor General also could compel the production of electronically stored information, and including confidential information.

The Act would not authorize the Auditor General to access or examine information subject to the attorney-client privilege or any other privilege recognized by the Constitution, statute, court rule, or rules adopted by a house of the Legislature.

MCL 13.101

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.