

## RANDOM TREASURY AUDITS OF ISDs

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

### House Bill 5457

Sponsor: Rep. Brian Palmer

Committee: Education

Complete to 2-17-04

## A REVISED SUMMARY OF HOUSE BILL 5457 AS INTRODUCED 2-4-04

House Bill 5457 would amend the Revised School Code to require the Department of Treasury to conduct random financial audits on intermediate school districts.

The bill specifies that in addition to the annual audit required of intermediate school districts under the law, an intermediate school district (ISD) would be subject to an audit by the Department of Treasury. The department would conduct random financial audits in the following manner:

- select the ISDs to be audited on a random basis;
- establish a date each year on which it announced the ISDs that would be audited that year, make the announcement on that date, and begin the audits within two business days after the announcement;
- audit at least five ISDs every two years;
- work with the intermediate school board and ISD officials who would provide all information the auditors requested, and cooperate with the auditors to the fullest extent possible; and,
- submit a report of each audit conducted to the Senate and House standing committees having jurisdiction over education legislation.

MCL 380.622a

### FISCAL IMPACT:

This bill could create an indeterminate cost to the Department of Treasury for conducting the audits. The bill would create no local fiscal impact.

Legislative Analyst: J. Hunault

Fiscal Analyst: Laurie Cummings

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.