

No. 13, S.]

[Published March 21, 1947.

## CHAPTER 9.

AN ACT to renumber, repeal, create and amend certain provisions in chapters 14, 15, 17 and 20 of the statutes, transferring accounting and pre-auditing functions from the secretary of state to the department of budget and accounts, creating a department of state audit, providing a system of state accounting and state audit, and making an appropriation.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 14.29 (4) of the statutes is amended to read:

14.29 (4) Report biennially to the governor, within 60 days after June 30 in each even-numbered year \* \* \* any matters pertaining to his office as secretary \* \* \* and, when required, furnish the governor or either branch of the legislature, in writing, any information relative to the performance of the duties of his office.

SECTION 2. 14.30 of the statutes is repealed.

SECTION 3. 14.31 (1) and (3) (d), 14.32, 14.33, 14.34, 14.35, 14.36, 14.38, 14.39, 14.40, 14.42 (2), (4), (6) and (16), 14.48, 14.50, (2) and (3), 14.68 (2) and (4), 14.71 (6) (e) and (g) and (7) (a) and (c), and 14.80 (4) are amended by substituting "director of budget and accounts" for "secretary of state" wherever it appears therein.

SECTION 4. 14.71 (1) and (1n) (g) of the statutes are amended to read:

14.71 (1) Except as expressly provided by law, the governor, secretary of state, state treasurer, attorney-general, state superintendent, commissioner of insurance, state fire marshal, director of purchases, public service commission, industrial commission, adjutant general, director of veterans' affairs, grain and warehouse commission, director of personnel, department of taxation, board of tax appeals, commissioners of public lands, state conservation commission, state supervisor of inspectors, banking commission, banking review board, free library commission, state chief engineer, director of agriculture, director of \* \* \* budget and accounts, geological and natural history survey, state board of health, state highway commission, state auditor, state planning board, state board of medical examiners, state

board of dental examiners, state board of pharmacy, Wisconsin real estate brokers board, state board of vocational and adult education, Wisconsin employment relations board, commissioner of the motor vehicle department, director of public welfare, state aeronautics commission and state athletic commission are each authorized to appoint such deputies, assistants, experts, clerks, stenographers or other employes as shall be necessary for the execution of their functions, and to designate the titles, prescribe the duties, and fix the compensation of such subordinates, but these powers shall be exercised subject to the state civil service law, unless the position filled by any such subordinate has been expressly exempted from the operation of chapter 16 and subject, also, to the approval of such other officer or body as may be prescribed by law.

(1n) (g) Upon certification of the department head or officer to the director of \* \* \* budget \* \* \* and accounts, such director shall forthwith \* \* \* determine the sum of money necessary from the appropriation provided in section 20.07 (16) for the payment of the initial basic cost of living bonus and from time to time the adjustments thereof of employes of such board, department, commission or institution, and the \* \* \* director of budget and accounts shall thereupon extend a credit in like sum therefor, to all appropriations and including those in which the receipts are appropriated or reappropriated wherein the director shall determine whether a supplementary appropriation is necessary therefor.

SECTION 5. The title of chapter 15 of the statutes is changed to read: STATE BUDGET AND ACCOUNTS, AUDIT AND EXECUTIVE DEPARTMENTS.

SECTION 6. A subchapter is added to chapter 15 of the statutes to be numbered and entitled:

#### SUBCHAPTER 1

#### STATE DEPARTMENT OF BUDGET AND ACCOUNTS

SECTION 6a. 15.01 of the statutes is amended to read:

15.01 \* \* \* DEPARTMENT OF BUDGET AND ACCOUNTS. (1) CREATION. There is created a state *department of budget \* \* \* and accounts* in charge of the director of \* \* \* *department of budget and accounts, who may be referred to as the "director."*

(2) OFFICES. The state *department of budget \* \* \* and accounts* shall be provided with a suitable office in the state

capitol and with necessary furniture, stationery and other supplies.

(3) CIVIL SERVICE EXEMPTION. All experts and the clerk of the joint committee on finance when employed by the *department of budget \* \* \* and accounts* shall be exempt from the provisions of chapter 16 relating to the civil service.

(4) "DEPARTMENT" DEFINED. Whenever in this chapter or in sections 20.74 and 20.77 the word "department" is used, it shall be construed to include all state departments, boards and commissions, \* \* \* all state educational, charitable, correctional and other institutions, \* \* \* all societies and associations, *and other agencies of the state government* to which section 20.78 \* \* \* is applicable.

SECTION 6b. 15.02 of the statutes is repealed and recreated to read:

15.02 DIRECTOR, APPOINTMENT, QUALIFICATIONS. (1) The director of budget and accounts shall be appointed by the governor, by and with the advice and consent of the senate. The initial appointment shall be made not later than April 1, 1947, but if this section is not passed by the legislature by that date such appointment shall be made promptly after such passage, and shall be for a term beginning July 1, 1947 and ending June 30, 1955. Thereafter each successor shall be appointed for a term of 6 years but appointments shall be made not later than April 1, next preceding the expiration of each term. Vacancies shall be filled as provided in Chapter 17. On July 1, 1947 the office of director of the budget is abolished.

(2) The person eligible for appointment as director of budget and accounts shall have the following qualifications:

(a) Training equivalent to that represented by graduation from a college or university of recognized standing with major work in accounting, finance, economics and statistics.

(b) At least 5 years of successful experience involving the performance of responsible work in fiscal accounting, finance and administration.

(c) Recognition in the professional accounting field as a holder of the certificate of certified public accountant.

SECTION 7. 15.04 (6), (7) (a) and (b), and (8) of the statutes are repealed.

SECTION 8. 15.04 (7) (c) and (d) are renumbered 15.04 (6) and (7) respectively.

SECTION 9. 15.05 of the statutes is amended to read:

15.05 (1) All departments shall keep their accounts and other financial records as prescribed by the director of \* \* \* budget *and accounts*, except as otherwise specifically directed by law. All such departments shall also furnish to the director of \* \* \* budget *and accounts* all information relating to their financial transactions which he may call for pursuant to \* \* \* *this subchapter* and shall render such assistance in connection with the preparation of the state budget report and the budget bill and in auditing accounts, as the director or the governor may require.

(2) The director of \* \* \* budget *and accounts* and his duly authorized employes shall have free access to all financial accounts of \* \* \* *every state department*, and it shall be the duty of \* \* \* *each such department* to assist the director in preparing estimates of receipts and expenditures for inclusion in the state budget report.

SECTION 10. 15.14 (2), (3) and (5) of the statutes are amended to read:

15.14 (2) The director of \* \* \* budget *and accounts* shall examine each such estimate to determine whether \* \* \* appropriations are available therefor and can be made without incurring danger of exhausting such appropriations before the end of the appropriation period and whether there will be sufficient revenue to meet such contemplated expenditures. If satisfied that such estimate meets these tests, he shall approve the same \* \* \*; otherwise he shall disapprove the same, in whole or in part, as the facts may require.

15.14 (3) It shall be unlawful for any department, except the legislature and the courts, to increase the salary of any employe, to employ any additional employes, or to expend money or incur any obligations except in accordance with an estimate submitted to the director of \* \* \* budget *and accounts* as provided in subsection (1) and which shall have been approved either by such director or by the governor. Approval by the director of \* \* \* budget *and accounts* shall not be necessary for any expenditure which can be made only with the approval of the governor. No salary increase shall be approved unless it is within the salary ranges fixed by the \* \* \* *bureau of personnel*.

(5) The \* \* \* *director of budget and accounts* shall not draw his warrant for payment of any expenditures incurred by any department for which the approval of the director \* \* \* or the governor is necessary under this section, unless such expenditure was made in accordance with an estimate submitted to and approved by the director of \* \* \* *budget and accounts* or by the governor.

SECTION 10a. 15.15 to 15.18 of the statutes are renumbered 15.50 to 15.53.

SECTION 11. 15.15 of the statutes is created to read:

15.15 DIRECTOR OF BUDGET AND ACCOUNTS; PRE-AUDITING AND ACCOUNTING; ADDITIONAL DUTIES AND POWERS. The director of budget and accounts in the discharge of pre-auditing and accounting functions shall have the following duties and powers:

(1) SUGGEST IMPROVEMENTS. Suggest plans for the improvement and management of the public revenues and expenditures.

(2) SETTLE ACCOUNTS. Examine and settle the accounts of all persons indebted to the state and certify the amount due to the treasurer.

(3) REQUIRE RETURN OF PROPERTY. Require every person who has received any money, property or goods belonging to the state, and has not accounted therefor, to settle his accounts and to return such property, money or goods to the state.

(4) DIRECT COLLECTION OF MONEYS. Except as otherwise provided by law, direct and superintend the collection of all moneys due the state.

(5) KEEP AND STATE ACCOUNTS. Keep and state all accounts in which the state is interested.

(6) AUDIT CLAIMS. Examine, determine and audit, according to law, the claims of all persons against the state.

(7) AUDIT CLAIMS FOR RETURN OF PRISONERS. Receive, examine, determine and audit claims, duly certified and approved by the state department of public welfare, from the county clerk of any county in behalf of such county, which are presented for payment to reimburse such county for certain expenses incurred or paid by it on and after July 1, 1937, in reference to all matters growing out of the return of escaped convicts, from the state prison, state reformatory and the Wisconsin home for women. If the director of budget and accounts

shall find such claims correct and just he shall draw his warrant upon the state treasurer and the treasurer shall pay the amount directed in the warrant and as directed and out of the appropriation provided therefor. The director of budget and accounts may prescribe the form of claim and the information required therein. Expenses as herein used shall only include such amounts as were necessarily incurred and actually paid and shall be no more than the legitimate cost would be to any other county had the offense or crime occurred therein. Any incarceration pending arraignment and all commitments prior to the final disposition of the prisoner charged with any offense or crime referred to in sections 53.01 (2), 54.01 (4) and 54.015 (2) while in the county whose courts have jurisdiction shall be in the institution, located in such county, wherein the alleged crime or offense was committed and the warden or superintendent of such institution shall be subject to the same laws and court orders as the sheriff of such county would be in a criminal case, and the officer who arrests such prisoner or who shall have him in his custody before arraignment shall forthwith deliver him to such institution unless he can be the sooner arraigned.

SECTION 12. 15.16 and 15.17 of the statutes are created to read:

15.16 PRIOR APPROVAL OF REQUISITIONS, ETC. Except as provided in section 15.18 (2), all requisitions and all authorizations for salaries, travel and miscellaneous expense shall before any liability is incurred thereon be submitted to the director for his approval as to legality of purpose and sufficiency of funds therefor. No purchase order shall be issued unless the requisition has been first approved by the director. Upon such approval, the director shall immediately encumber all requisitions and all authorizations for salaries, travel and miscellaneous expense. The director shall not approve any such requisition or authorization if the unencumbered allotment balance is insufficient.

15.17 TRANSFERS WITHIN APPROPRIATION. Whenever it is apparent that any allotment or authorization balance is insufficient for the specific purpose for which made, the director may upon the request of the department transfer to such balance such amount as may be necessary from any other authorization balance or from the allotment balance within the appropriation.

SECTION 13. 15.18 of the statutes is created to read:

15.18 PURCHASES, PRIOR APPROVAL OF; AGREEMENTS. (1) PRIOR APPROVAL ON PURCHASES. It shall be unlawful for any state department to make any purchase, except as provided in subsection (2), without the prior approval of the director as provided in section 15.16.

(2) AGREEMENTS AS TO CERTAIN PURCHASES, ETC. The director may agree with any state department that local purchases may be made, travel expenses may be incurred or miscellaneous expenses incurred up to a maximum amount determined by the director for any fiscal year or part thereof.

SECTION 14. 15.19 of the statutes is created to read:

15.19 ACCOUNTING. The director shall: (1) KEEP SEPARATE ACCOUNTS. Keep in his office separate accounts of the revenues and funds of the state, and of all moneys and funds received or held by the state, and also of all encumbrances, expenditures, disbursements and investments thereof, showing the particulars of every encumbrance, expenditure, disbursement and investment.

(2) REVENUE ACCOUNTS. Place revenue estimates on the books of account and credit actual receipts against them.

(3) KEEP APPROPRIATION ACCOUNTS. Keep separate accounts of all appropriations authorizing expenditures from the state treasury, which accounts shall show the amounts appropriated, the amounts allotted, the amounts encumbered, the amounts expended, the amounts unencumbered and the unexpended balance of each appropriation.

(4) COUNTERSIGN RECEIPTS. Countersign all receipts issued by the state treasurer for any money paid to him and enter them to the credit of the county, officer or person making the payment, and charge the treasurer with the same.

(5) ENCUMBRANCES AND CHARGES FOR PRIOR FISCAL YEARS. Except as herein otherwise provided, on October 31 of each fiscal year all encumbrances entered for any previous fiscal year shall be transferred by the director as encumbrances against the appropriation for the current fiscal year. All other charges incurred during any previous fiscal year, and not evidenced by encumbrances, which are presented for payment between November 1 in any fiscal year and October 31 in the next succeeding fiscal year shall be entered as charges in the fiscal year in which said November 1 falls; but in no case

shall such charges be paid if they exceed the previous fiscal year's unencumbered appropriation balance as of October 31.

SECTION 15. 15.20 of the statutes is created to read:

15.20 CREDITING OF RECEIPTS. Any receipts applying to a prior fiscal year received between November 1 and the next succeeding October 31 shall be credited by the director to the fiscal year in which said November 1 falls. Except in the case of revolving and continuing specific appropriations, any refund of a disbursement or reimbursement to a specific or sum sufficient appropriation, applicable to any prior fiscal year, received between said dates shall not be credited to any appropriation but shall be considered as a nonappropriated receipt.

SECTION 16. A subchapter is added to chapter 15 of the statutes to be numbered and entitled:

## SUBCHAPTER 2.

### DEPARTMENT OF STATE AUDIT

SECTION 17. 15.21 of the statutes is created to read:

15.21 DEPARTMENT OF STATE AUDIT. (1) DIRECTOR. There is created a department of state audit in charge of a director designated as "state auditor" who shall be appointed by the governor with the advice and consent of the senate for a term of 6 years beginning July 1, 1947 and until his successor is appointed and qualified. The initial appointment shall be made not later than April 1, 1947, but if this section is not passed by the legislature by that date such appointment shall be made promptly after such passage. Each successor shall be appointed not later than April 1, next preceding the expiration of each term. The state auditor shall be paid an annual salary of \$7,000. The person eligible for appointment as state auditor shall have the following qualifications:

(a) Training equivalent to that represented by graduation from a college or university of recognized standing with major work in accounting, finance, economics and statistics.

(b) At least 5 years of successful experience involving the performance of responsible work in fiscal accounting, finance, and administration.

(c) Recognition in the professional accounting field as a holder of the certificate of certified public accountant.

(2) OATH AND BOND. The state auditor shall take and file the official oath and shall file a bond in such sum and with



such sureties as the governor may prescribe. The premium on such bond shall be paid out of the appropriation to the department of state audit.

(3) LOCATION OF OFFICE. The department of state audit shall have its offices at the seat of state government in Madison.

SECTION 18. 15.22 of the statutes is created to read:

15.22 FUNCTIONS. The state auditor shall:

(1) AUDIT FISCAL CONCERNS. Audit the fiscal concerns of the state as required by law. For such purpose the books, records and documents of each state department shall be available to him at any and all times with or without notice.

(2) AUDITS OF DEPARTMENTS. Annually reconcile the records of the department of budget and accounts with the records of the various state departments and at least once each biennium conduct a post-audit of all state revenues and expenditures in respect to each other state department. Within 30 days after completion of any such audit, he shall file with the governor, the department of budget and accounts, the legislative reference library, and the department audited a detailed report thereof, including his recommendations for improvement and efficiency and including specific instances, if any, of illegal or improper expenditures. Such reports shall be available to the public.

(3) SUMMARY STATEMENT OF AUDIT REPORTS. Prepare a brief summary statement of each detailed audit report, including his recommendations, which statement shall be available to any person upon request.

(4) AUDIT STATE FUNDS. At least once in each year, and at such other times as the governor or legislature may direct, examine and see that all the money appearing by the books of the director of budget and accounts and state treasurer as belonging to the several funds is in the vaults of the treasury or in the several state depositories, and in case of a deficiency the governor shall require the treasurer to make up such deficiency immediately; and if such treasurer shall refuse or neglect for ten days thereafter to have the full sum belonging to said funds in the treasury the attorney-general shall institute proceedings to recover the same.

(5) KEEP ACCOUNT BETWEEN STATE AND TREASURER. Certify to the treasurer the balance in the treasury when

he came into office and all bonds and securities belonging to all public funds on deposit in the treasury or properly accounted for and transmit a certified copy thereof to the outgoing treasurer and his successor.

(6) ANNUAL AUDIT OF TREASURER. Annually audit the books and accounts of the treasurer, the moneys on hand in the treasury, and all bonds and securities belonging to all public funds on deposit in the treasury or properly accounted for by the treasurer, and promptly report the result of such examination in writing to the governor, specifying therein particularly the amount and kind of funds and of all such bonds and securities. He shall transmit a certified copy of such report to the outgoing treasurer and his successor.

(7) SPECIAL EXAMINATIONS. Make such special examinations of the accounts and financial transactions of any department or officer as the governor or legislature may direct.

(8) TAKE TESTIMONY. In the discharge of any duty imposed by law, to subpoena witnesses, administer oaths and take testimony and to cause the deposition of witnesses to be taken in the manner prescribed for taking depositions in civil actions in circuit courts.

(9) BIENNIAL REPORT. Prepare a biennial report of his activities, including his recommendations for efficiency and economy in the expenditure of appropriations made by the legislature. Such report shall be filed with the governor and the director of budget and accounts on or before December 1 in each even-numbered year and with each house of the legislature at the beginning of each regular session.

SECTION 19. A subchapter is added to chapter 15 of the statutes to be numbered and entitled:

### SUBCHAPTER 3

#### DIVISION OF DEPARTMENTAL RESEARCH

SECTION 20. 15.26 to 15.40 of the statutes are renumbered 15.54 to 15.67.

SECTION 21. A subchapter is added to chapter 15 of the statutes to be numbered and entitled:

### SUBCHAPTER 4

#### BUREAU OF PURCHASES

SECTION 22. A subchapter is added to chapter 15 of the statutes, embracing 15.76 to 15.84, to be numbered and entitled:

SUBCHAPTER 5  
BUREAU OF ENGINEERING

SECTION 23. 15.72 and 15.74 of the statutes are renumbered respectively 15.90 and 15.91.

SECTION 24. A subchapter is added to chapter 15 of the statutes, embracing renumbered sections 15.90 and 15.91, to be numbered and entitled:

SUBCHAPTER 6  
MISCELLANEOUS

SECTION 25. 17.07 (3) of the statutes is amended to read:

17.07 (3) State officers appointed by the governor by and with the advice and consent of the senate, or appointed by any other officer or body subject to the concurrence of the governor, by the governor at any time, for cause; but the commissioners of banking, *state auditor*, and the director of \* \* \* budget and accounts may be so removed only by and with the consent of a majority of the members of the senate.

SECTION 26. 20.02 (8) of the statutes is amended by substituting for the reference "15.15 to 15.18" the reference "15.50 to 15.53".

SECTION 27. 20.10 (7) of the statutes is amended by substituting for the reference "subsection (4) of section 15.37" the reference "section 15.64 (4)".

SECTION 28. 20.723 of the statutes is created to read:

20.723 (1) There is appropriated from the general fund to the department of state audit, annually beginning July 1, 1947, \$70,000 for the execution of the functions of the department.

SECTION 29. 20.72 (2) of the statutes is repealed.

SECTION 30. (1) The personnel in the office of the secretary of state whose principal duties relate to accounting or auditing or other functions transferred by this act may be selected in whole or in part by the director of budget and accounts, and the personnel in the office of the bureau of the budget whose principal duties relate to post-auditing may be selected in whole or in part by the state auditor, such personnel to have the same classification, status and salary as before transfer, or the director of budget and accounts and state auditor may select personnel in whole or in part from the eligible civil service lists. The determination and selection of such personnel shall be made

within 6 months after the effective date of this act; but if the director of budget and accounts or state auditor certifies to the bureau of personnel that because of the existing labor conditions he is unable to select necessary and qualified personnel, including replacement of any transferred personnel, an additional period not exceeding 6 months shall be allowed with the approval of the bureau of personnel for such determination and selection.

(2) All records, equipment and property maintained or used in the secretary of state's office in connection with auditing, accounting or other functions transferred by this act, and all records, equipment and property maintained or used in the office of the bureau of the budget in connection with post-auditing, are transferred respectively to the department of budget and accounts and the department of state audit concurrently with the transfer of functions. In case of dispute under this subsection, determination shall be made by the governor.

(3) Office space and vault space in the secretary of state's office, equivalent to that used in the discharge of the functions transferred by this act to the department of budget and accounts, are assigned to the department of budget and accounts for the discharge of such functions. The state chief engineer shall prepare any necessary plans for the division of such space and shall make such adjustments, including remodeling, as may be necessary.

SECTION 31. (1) Wherever in the statutes any provision requires or authorizes the secretary of state to issue a warrant for the payment of state money, or requires or authorizes any state official, department or agency to make a certification to the secretary of state upon which a warrant is to be issued for the payment of state money, it is understood that such warrants are to be issued by, and such certifications are to be made to, the director of budget and accounts; and in each such case "director of budget and accounts" or "department of budget and accounts," as the case may be, is substituted for "secretary of state."

(2) Wherever in the statutes "director of the budget" or "bureau of the budget" or "budget bureau" or words of similar import appear, "director of budget and accounts" or "department of budget and accounts," as the case may be, shall be substituted.

(3) The revisor of statutes is directed to make the substitutions and changes in the statutes to conform to this act.

SECTION 32. This act shall take effect July 1, 1947.

Approved March 18, 1947.

No. 16, S.]

[Published March 21, 1947.

### CHAPTER 10.

AN ACT to create 46.06 (12) and 20.17 (1) (f) of the statutes, relating to disposal of lands at the Wisconsin industrial home for women, the purchase of new lands, and making an appropriation.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 46.06 (12) of the statutes is created to read:

46.06 (12) Subject to the approval of the emergency board, the state department of public welfare may sell and convey a tract of land situated in the northeast quarter of the northeast quarter of section 6, township 15 north, range 18 east, and more particularly described as follows in accordance with a survey of part of sections five (5) and six (6) made by county surveyor George W. Marshall in March and April of 1914 and a map of said survey which is recorded in volume seven (7) of plats on page four (4) in the office of the register of deeds of Fond du Lac county:

Commencing at an iron stake set at the north east corner of said section six (6) and running thence south along the section line eight hundred ten and fifty two/one hundredths feet (810.52 ft.) to a point five (5) chains and 78 links, said distance being equal to three hundred eighty-one and forty-eight/one hundredths feet (381.48 ft.), north of the east quarter quarter ( $E\frac{1}{4}\frac{1}{4}$ ) post of said north east quarter ( $NE\frac{1}{4}$ ), said post being set by proportional U. S. government distances one thousand and two hundred ninety-three and four/tenths feet (1293.40 ft.) north of the east quarter ( $E\frac{1}{4}$ ) post and eleven hundred ninety-two feet (1192 ft.) south of the north east corner of said section six (6); thence west parallel with the south line of said north east quarter of the north east quarter ( $NE\frac{1}{4}NE\frac{1}{4}$ ) and along the north line of the tract formerly owned by Paul Hauser and