

# State of Wisconsin



2013 Senate Bill 27

Date of enactment: **March 13, 2013**  
Date of publication\*: **March 27, 2013**

## 2013 WISCONSIN ACT 8

**AN ACT** *to repeal* 13.53 (2) (d), 13.94 (1) (a), 13.94 (1) (d), 13.94 (1) (f), 13.94 (1) (g), 13.94(1) (k), 13.94 (1) (mm), 13.94 (1) (n), 13.94 (1) (q), 13.94 (8) (d) 3., 49.19 (11m) (e), 49.67 (7m), 101.973 (11), 115.52 (7), 115.525 (7), 118.153 (6), 119.23 (7) (e) 2. and 229.8273 (6); *to renumber and amend* 119.23 (7) (e) 1.; *to amend* 13.94 (1) (b), 13.94 (1) (br) 1., 13.94 (1) (br) 2., 13.94 (1) (c), 13.94 (1) (dg), 13.94 (1) (dm), 13.94 (1) (eg), 13.94 (1) (em), 13.94 (1) (L), 13.94 (1s) (a), 13.94 (1s) (b), 13.94 (1s) (bm), 18.10 (11), 39.15 (2), 39.46 (1), 119.23 (6m) (b) 3. d., 120.135 (4) (a) and 565.37 (1); and *to create* 13.94 (1) (br) 3., 13.94 (1) (t), 13.94 (1s) (c) 7., 13.94 (1s) (c) 8. and 71.78 (4) (s) of the statutes; **relating to:** the authority and responsibilities of the Legislative Audit Bureau and state auditor, eliminating certain expired audit requirements, and requiring confidentiality during investigations of reports made to the state fraud, waste, and mismanagement hotline.

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

**SECTION 1.** 13.53 (2) (d) of the statutes is repealed.

**SECTION 2.** 13.94 (1) (a) of the statutes is repealed.

**SECTION 3.** 13.94 (1) (b) of the statutes is amended to read:

13.94 (1) (b) Audit At the state auditor's discretion or as the joint legislative audit committee directs, audit the records of every state each department, board, commission, independent agency or authority at least once each 5 years and audit the records of other departments as defined in sub. (4) when the state auditor deems it advisable or when he or she is so directed and, in conjunction therewith, reconcile the records of the department audited with those of the department of administration. Audits of the records of a county, city, village, town, or school district may be performed only as provided in par. (m). Within 30 days after After completion of any such audit under this paragraph, the bureau shall file with the chief clerk of each house of the legislature, the governor,

the department of administration, the legislative reference bureau, the joint committee on finance, the legislative fiscal bureau, and the department audited, a detailed report ~~thereof of the audit~~, including its the bureau's recommendations for improvement and efficiency and including specific instances, if any, of illegal or improper expenditures. The chief clerks shall distribute the report to the joint legislative audit committee, the appropriate standing committees of the legislature, and the joint committee on legislative organization.

**SECTION 4.** 13.94 (1) (br) 1. of the statutes is amended to read:

13.94 (1) (br) 1. Maintain a toll-free telephone number with voice mail at the bureau's office to receive reports of fraud, waste, and mismanagement in state government. Except as provided in subd. 2., the bureau shall relay these reports to the appropriate bureau employee for investigation. If the bureau has a bureau employee investigate the report, the employee may, subject to subd. 3., consult with any state department, board, commission, or independent agency for any purpose related to the

\* Section 991.11, WISCONSIN STATUTES 2011-12 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

investigation. The bureau shall publicize the toll-free telephone number on the bureau's ~~Web~~ Internet site. The bureau shall maintain records that permit the release of information provided by informants while protecting the identity of the informant. Any records maintained by the bureau that relate to the identity of informants shall be only for the confidential use of the bureau in the administration of this section, unless the informant expressly agrees to release the records. Appearance in court as a witness shall not be considered consent by an informant to release confidential records maintained by the bureau.

**SECTION 5.** 13.94 (1) (br) 2. of the statutes is amended to read:

13.94 (1) (br) 2. In lieu of requiring a bureau employee to conduct an investigation of a report received under subd. 1., the bureau may refer a report to a state department, ~~board, commission, or independent agency~~ for investigation. The state department, ~~board, commission, or independent agency~~ shall conduct the investigation and deliver the results of the investigation to the bureau in a timely manner.

**SECTION 6.** 13.94 (1) (br) 3. of the statutes is created to read:

13.94 (1) (br) 3. The bureau shall at all times before an investigation of a report received under subd. 1. is completed keep confidential the report and investigation and any information arising from the investigation, except as necessary to conduct the investigation.

**SECTION 7.** 13.94 (1) (c) of the statutes is amended to read:

13.94 (1) (c) ~~Audit~~ At the state auditor's discretion or as the joint legislative audit committee directs, audit the central accounting records of the department of administration ~~at least once every 2 years~~. A detailed report of such audit shall be filed as provided by par. (b), and copies shall be provided to each member or member-elect of the legislature and shall be available in limited number to the public. The bureau shall also prepare a summary of such audit report, for distribution in the same manner as the Wisconsin Blue Book under s. 35.84.

**SECTION 8.** 13.94 (1) (d) of the statutes is repealed.

**SECTION 9.** 13.94 (1) (dg) of the statutes is amended to read:

13.94 (1) (dg) ~~Annually, by October 1~~ At the state auditor's discretion or as the joint legislative audit committee directs, perform a financial audit of expenditures made under the grants for dental services under s. 250.10.

**SECTION 10.** 13.94 (1) (dm) of the statutes is amended to read:

13.94 (1) (dm) ~~Annually~~ At the state auditor's discretion or as the joint legislative audit committee directs, perform a financial audit of the state fair park board and of any private corporation with which the board contracts under s. 42.01 (4) (b).

**SECTION 11.** 13.94 (1) (eg) of the statutes is amended to read:

13.94 (1) (eg) ~~Annually conduct a financial audit of the division of gaming in the department of administration and biennially~~ At the state auditor's discretion or as the joint legislative audit committee directs, conduct a performance evaluation audit of the division of gaming in the department of administration. The legislative audit bureau shall file a copy of each audit report under this paragraph with the department of justice and with the distributees specified in par. (b).

**SECTION 12.** 13.94 (1) (em) of the statutes is amended to read:

13.94 (1) (em) Annually conduct a financial audit of the state lottery, and, to the extent of the department of revenue's participation, of any multijurisdictional lotteries in which the state participates under ch. 565, and ~~biennially at the state auditor's discretion or as the joint legislative audit committee directs,~~ conduct a performance audit of the state lottery and, to the extent of the department of revenue's participation, of those multijurisdictional lotteries, as provided in s. 565.37 (1). The legislative audit bureau shall file a copy of each audit report under this paragraph with the department of justice and with the distributees specified in par. (b).

**SECTION 13.** 13.94 (1) (f) of the statutes is repealed.

**SECTION 14.** 13.94 (1) (g) of the statutes is repealed.

**SECTION 15.** 13.94(1) (k) of the statutes is repealed.

**SECTION 16.** 13.94 (1) (L) of the statutes is amended to read:

13.94 (1) (L) Monitor and review purchases and purchasing procedures of state departments, ~~boards, commissions and independent agencies,~~ and, ~~at the state auditor's discretion or as the joint legislative audit committee directs,~~ report to the joint legislative audit committee ~~at least once every 5 years~~ concerning the extent to which state departments, ~~boards, commissions and independent agencies~~ purchased purchase materials, supplies, or equipment manufactured outside of the United States ~~since the date of the preceding report.~~

**SECTION 17.** 13.94 (1) (mm) of the statutes is repealed.

**SECTION 18.** 13.94 (1) (n) of the statutes is repealed.

**SECTION 19.** 13.94 (1) (q) of the statutes is repealed.

**SECTION 20.** 13.94 (1) (t) of the statutes is created to read:

13.94 (1) (t) Annually conduct a financial audit of the University of Wisconsin System. The legislative audit bureau shall file a copy of each audit report under this paragraph with the distributees specified in par. (b).

**SECTION 21.** 13.94 (1s) (a) of the statutes is amended to read:

13.94 (1s) (a) Except as otherwise provided in par. (c), the legislative audit bureau may charge any department for the reasonable cost of auditing services ~~which~~ are performed at the request of a department or at the request of the federal government ~~which~~ that the bureau is not required to perform under sub. (1) ~~(a) to (d)~~ (b) or

(k) (c) or any other law. This paragraph does not apply to counties, cities, villages, towns, or school districts.

**SECTION 22.** 13.94 (1s) (b) of the statutes is amended to read:

13.94 (1s) (b) The legislative audit bureau may charge the department of revenue for the reasonable costs of the audits required to be an audit performed under sub. (1) (em) and for verification of the odds of winning a lottery game under s. 565.37 (5).

**SECTION 23.** 13.94 (1s) (bm) of the statutes is amended to read:

13.94 (1s) (bm) The legislative audit bureau may charge the department of administration for the cost of the audits required to be an audit performed under sub. (1) (eg).

**SECTION 24.** 13.94 (1s) (c) 7. of the statutes is created to read:

13.94 (1s) (c) 7. The state fair park board for the cost of an audit performed under sub. (1) (dm).

**SECTION 25.** 13.94 (1s) (c) 8. of the statutes is created to read:

13.94 (1s) (c) 8. The University of Wisconsin System for the cost of an audit performed under sub. (1) (t).

**SECTION 26.** 13.94 (8) (d) 3. of the statutes is repealed.

**SECTION 27.** 18.10 (11) of the statutes is amended to read:

18.10 (11) CANCELLATION OF INSTRUMENTS. Unless otherwise directed by the commission, every evidence of indebtedness and interest coupon paid or otherwise retired shall ~~forthwith~~ be marked "canceled" and shall be ~~delivered~~ destroyed by the department of administration or ~~destroyed by a fiscal agent accepting the surrender thereof, through the department to the state auditor appointed under sub. (8) who shall destroy them and shall forthwith deliver certify that destruction to the department a certificate to that effect of administration.~~

**SECTION 28.** 39.15 (2) of the statutes is amended to read:

39.15 (2) ~~The~~ At the state auditor's discretion or as the joint legislative audit committee directs, the legislative audit bureau shall biennially postaudit expenditures under s. 20.250 so as to assure the propriety of expenditures and compliance with legislative intent. State affirmative action policies, rules, and practices shall be applied to the Medical College of Wisconsin, Inc., consistent with their application to state agencies.

**SECTION 29.** 39.46 (1) of the statutes is amended to read:

39.46 (1) On or before July 1 of each year, the board shall initiate, investigate, and formulate for procurement, a contract for dental education services in accordance with this section. Thereafter, the board shall conduct a biennial analysis of the program and include a report on its findings and recommendations in its reports under s. 15.04 (1) (d). ~~The~~ At the state auditor's discretion or as

the joint legislative audit committee directs, the legislative audit bureau shall biennially postaudit expenditures under this section. Section 16.75 (1) to (5) are waived with respect to such contract.

**SECTION 30.** 49.19 (11m) (e) of the statutes is repealed.

**SECTION 31.** 49.67 (7m) of the statutes is repealed.

**SECTION 32.** 71.78 (4) (s) of the statutes is created to read:

71.78 (4) (s) The state auditor and the employees of the legislative audit bureau to the extent necessary for the bureau to carry out its duties under s. 13.94.

**SECTION 33.** 101.973 (11) of the statutes is repealed.

**SECTION 34.** 115.52 (7) of the statutes is repealed.

**SECTION 35.** 115.525 (7) of the statutes is repealed.

**SECTION 36.** 118.153 (6) of the statutes is repealed.

**SECTION 37.** 119.23 (6m) (b) 3. d. of the statutes is amended to read:

119.23 (6m) (b) 3. d. To the extent permitted under 20 USC 1232g and 43 CFR part 99, pupil scores on all standardized tests administered under sub. (7) (e) ~~+~~.

**SECTION 38.** 119.23 (7) (e) 1. of the statutes is renumbered 119.23 (7) (e) and amended to read:

119.23 (7) (e) In the 2009–10 school year, each private school participating in the program under this section shall administer a nationally normed standardized test in reading, mathematics, and science to pupils attending the school under the program in the 4th, 8th, and 10th grades. Beginning in the 2010–11 school year and annually thereafter, each private school participating in the program under this section shall administer the examinations required under s. 118.30 (1s) to pupils attending the school under the program. The private school may administer additional standardized tests to such pupils. Beginning in 2006 and annually thereafter until 2011, the private school shall provide the scores of all standardized tests and examinations that it administers under this subdivision to the School Choice Demonstration Project.

**SECTION 39.** 119.23 (7) (e) 2. of the statutes is repealed.

**SECTION 40.** 120.135 (4) (a) of the statutes is amended to read:

120.135 (4) (a) Money in the capital improvement fund may not be used for any purpose or be transferred to any other fund without the approval of a majority of the electors of the school district voting on the question at a referendum. ~~If a referendum is adopted authorizing the use of moneys in the fund, the legislative audit bureau shall conduct an audit to determine whether the moneys have been used only for the purposes specified in sub. (1).~~

**SECTION 41.** 229.8273 (6) of the statutes is repealed.

**SECTION 42.** 565.37 (1) of the statutes is amended to read:

565.37 (1) FINANCIAL AND PERFORMANCE AUDITS. The department shall annually contract with the legislative audit bureau to conduct a financial audit of the trans-

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actions and accounts of the state lottery, and, to the extent of the department's participation, of any multijurisdictional lotteries in which the state participates, for the preceding fiscal year and shall ~~biennially, if the state auditor or the joint legislative audit committee directs that a per-~~

formance audit be conducted, contract with the legislative audit bureau for a performance audit of the state lottery and, to the extent of the department's participation, of those multijurisdictional lotteries.

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