

Memorandum

PREPARED FOR: Representative Fahey

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RE: Legislative Oversight in Other States



LPRO
LEGISLATIVE POLICY
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This memorandum responds to your request for more information about legislative oversight committees in other states.

Summary

Legislative oversight of executive branch agencies and other public entities typically involves program evaluation or performance audits combined with legislative hearings that consider a written report and recommendations. Legislative oversight committees may appoint a legislative or state auditor, develop or approve audit plans, conduct public hearings on such reports, and adopt recommendations for further action.

More than half of the states have a single legislative oversight committee with a legislative agency responsible for conducting financial or performance audits of state agencies, local governments, or other entities who receive public funding. The remaining states either have a legislative oversight committee with an external auditor or evaluation agency, an independent commission involving legislators and with its own staff, or only an external auditing responsibility with no clear legislative oversight committee. Examples of state legislative or other oversight functions are described in the following sections.

Background and Methodology

A performance audit is an assessment of an entity's operations, including management systems and procedures, to determine whether specific programs or functions are working to achieve stated goals or comply with laws and regulations. Performance audits also focus on organizational efficiency and the entity's use of financial resources. Program evaluation may be used interchangeably with performance auditing, but often means the collection of data and information to answer a specific question about how well a program is achieving its outcomes and why. Program evaluation is designed to assess and improve a program's development, implementation, and effectiveness.

In Oregon, the [Joint Legislative Audit Committee](#) reviews audits issued by the Secretary of State (SOS) Audit Division and reviews the SOS's Annual Audit Plan. It is staffed by the Legislative Fiscal Office, a permanent nonpartisan legislative service agency whose role includes the evaluation of state expenditures, program administration, and agency organization. The SOS Audit Division conducts financial, performance, and information technology audits, investigations, and administers the Municipal Audit Law.

Information for this memorandum was found through the [National Legislative Program Evaluation Society](#) (NLPES)—one of nine professional staff associations connected with the National Conference of State Legislatures. It includes employees of legislative

agencies engaged in program evaluation or performance auditing. For NLPES, the [Legislative Fiscal Office](#) is considered Oregon’s relevant legislative agency.

Legislative Oversight in Other States

Legislative Committee and Agency

Most states have a joint legislative committee and legislative agency with the authority to conduct financial audits, performance audits, or program evaluations. The legislative committee has oversight of the audit agency, including approving an audit plan or directing specific audits, and appoints the agency’s director or legislative auditor. The legislative agency has statutory authority to conduct certain types of audits, require public entity compliance with its auditing responsibilities, and sufficient staff with the appropriate expertise. Oversight committees are joint committees with equal numbers from both chambers, often involving leadership from both chambers. Table 1 provides examples of legislative oversight committees and agencies in select states.

Table 1: Examples of Legislative Oversight Committees and Agencies

State	Legislative Agency and Committee Authorities and Relationships
Colorado	The legislative Office of the State Auditor is a nonpartisan agency. Its performance, financial, and information technology audits provide the General Assembly with assessments of state program operations and the use of state and federal funds. The Legislative Audit Committee is a permanent standing committee of four senators and four representatives. It is responsible for reviewing and releasing audit reports and recommending special studies. It also recommends appointment of the State Auditor to the General Assembly.
Florida	The Joint Legislative Auditing Committee consists of five to seven members appointed from each chamber. Its responsibilities are designed to provide continuous oversight of government operations, in part, through the auditing and review activities of the legislative Auditor General and the Office of Program Policy Analysis and Government Accountability .
Idaho	The Office of Performance Evaluations is a nonpartisan, independent office of the Legislature that evaluates whether state government programs and agencies are operating efficiently and cost-effectively and are achieving intended results. The Joint Legislative Oversight Committee appoints the Office’s director, conducts performance audits/evaluations through the Office, and may review all records related to any agency or program at any time.
Kansas	The Legislative Division of Post Audit is the nonpartisan audit arm of the Legislature. It evaluates whether state agencies follow laws, achieve intended results, and operate efficiently; provides insight into how agencies and programs work; and predicts how changes might affect state costs and program outcomes. The agency has a 25-person staff to conduct its audits.



State	Legislative Agency and Committee Authorities and Relationships
	The Legislative Post Audit Committee is a bipartisan joint committee consisting of 10 members that selects the topics for the Division’s audits, directs the distribution of those reports, and hires the Legislative Post Auditor.
Maine	The Office of Program Evaluation and Government Accountability (OPEGA) is a nonpartisan legislative office that conducts independent, objective reviews of state programs and activities with a focus on effectiveness, efficiency, and economical use of resources. The Joint Legislative Government Oversight Committee oversees program evaluation and government accountability matters by conducting public inquiries and directing the OPEGA to conduct independent, objective reviews of state agencies and programs and other entities receiving public funds or expending private moneys for public purposes.
Minnesota	The Office of the Legislative Auditor conducts financial audits of state agencies and examines the management and impact of state-funded programs through its Financial Audit and Program Evaluation divisions. The Legislative Audit Commission is a bipartisan and bicameral committee that appoints the Auditor and selects topics for the Program Evaluation Division to review. It also holds hearings to review audit and evaluation reports.
Mississippi	The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) is a nonpartisan standing committee of the Mississippi Legislature created in 1973. PEER analyzes state agency programs and operations and helps the Legislature make state government more effective, efficient, and accountable. PEER employs an executive director and staff.
Washington	The Joint Legislative Audit and Review Committee (JLARC) is comprised of an equal number of House and Senate members. JLARC conducts performance audits, program evaluations, sunset reviews, and other analyses. Assignments are made by the Legislature and the JLARC to its nonpartisan staff auditors, under the direction of the Legislative Auditor, who independently seek answers to audit questions and issue recommendations to improve performance.

Oversight Committee with External Auditor

The Arizona [Joint Legislative Audit Committee](#) oversees all audit functions of the Arizona Legislature and provides direction for the independent [Office of the Auditor General](#) on sunset, performance, special, and financial audits, special research requests, and the preparation and introduction of legislation resulting from audit report findings. The Committee appoints the Auditor General, subject to approval by a concurrent resolution of the legislature and can require state agencies to comply with the audit findings and directions of the Committee.



The California [Joint Legislative Audit Committee](#) (JLAC) works independently and through the work of the [California State Auditor's Office](#) (CSA) to oversee the operations and finances of government and publicly created entities. Once an audit is completed and released, the CSA requires the audited agency to provide a 60-day, six-month, and one-year response on its status of implementing the audit report recommendations. This information is then used to determine the need for a JLAC oversight hearing. If JLAC determines that laws or regulations have been violated, it may refer the matter to the appropriate investigative or prosecuting agency.

The Illinois 12-member [Legislative Audit Commission](#) (legislative committee) is responsible for the oversight of the State Audit Program and monitoring state agency actions to correct audit-identified weaknesses. The financial and performance audits issued by the independent [Office of the Auditor General](#) are reviewed by the Commission in a public hearing attended by the audited agency's officials.

Independent Commissions

A few states have independent commissions to conduct and hear audits or evaluations of public entities. In Alabama, the [Alabama Commission on the Evaluation of Services](#) includes legislative members and Governor appointees and has its own staff to provide the Governor and legislature with evaluations to inform evidence-based policymaking. In Texas, the [Sunset Advisory Commission](#) is a legislative advisory body with 10 legislators and two public members that conducts regular assessments to determine the continuing need for, and performance of, a state agency or program and develops recommendations for the legislature.

Audit Agency and No Committee

Other states have an audit entity separate from the legislature, such as a state auditor, but no obvious legislative oversight committee. The [Georgia Department of Audits and Accounts](#) is the independent state auditor and conducts financial and performance audits, but it appears that the House Committee on Information and Audits only deals with related legislation and not audit reviews. In Michigan, the [Auditor General](#) is appointed by the legislature and has the constitutional and statutory authority to conduct financial and performance audits of all branches, departments, offices, boards, authorities, and other institutions. It provides legislative briefings to key members of the oversight and appropriation committees, not to a single oversight committee. In Tennessee, the [Comptroller of the Treasury](#) is a constitutionally required position elected by the General Assembly with an audit division that conducts financial and compliance and performance audits and a research division that evaluates programs.

