

108TH CONGRESS
2D SESSION

S. 2680

To provide for certain financial reporting requirements to apply to certain small executive branch agencies, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 16, 2004

Mr. FITZGERALD (for himself and Mr. AKAKA) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

A BILL

To provide for certain financial reporting requirements to apply to certain small executive branch agencies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Account-
5 ability Expansion Act of 2004”.

6 **SEC. 2. FINANCIAL STATEMENT REQUIREMENT FOR CER-**
7 **TAIN SMALL AGENCIES.**

8 (a) IN GENERAL.—Section 3515 of title 31, United
9 States Code, is amended—

10 (1) in subsection (a), by striking “(1)”; and

1 (2) by striking subsection (e) and inserting the
2 following:

3 “(e) The Director of the Office of Management and
4 Budget shall determine which covered executive agencies
5 have size or budgetary limitations that do not support the
6 internal preparation of a financial statement required
7 under this section. The Director of the Office of Manage-
8 ment and Budget shall inform the Secretary of the Treas-
9 ury of such determination, and for such agencies, the Sec-
10 retary of the Treasury shall prepare the financial state-
11 ment, or enter into a contract for the preparation of such
12 statement, and shall enter into a contract with 1 or more
13 independent auditors to audit the financial statement re-
14 quired under this section. All requirements of this section
15 shall apply with respect to audited financial statements
16 prepared under this subsection.”.

17 (b) TECHNICAL AND CONFORMING AMENDMENT.—
18 Section 2 of the Accountability of Tax Dollars Act of 2002
19 (31 U.S.C. 3515 note; Public Law 107–289) is amended
20 by striking subsection (b).

21 **SEC. 3. CERTAIN FEDERAL ENTITIES WITHOUT ANNUAL AU-**
22 **DITED FINANCIAL STATEMENT REQUIRE-**
23 **MENTS.**

24 (a) DEFINITION.—In this section, the term “Federal
25 entity” means any entity established in the executive

1 branch, including such an entity that administers a special
 2 purpose program or any other entity established by presi-
 3 dential or departmental directive that is not required to
 4 prepare an annual audited financial statement.

5 (b) ANNUALLY AUDITED FINANCIAL STATE-
 6 MENTS.—The Office of Management and Budget shall re-
 7 quire each Federal entity that is not statutorily required
 8 to prepare an annual financial statement and have the
 9 statement independently audited, to submit an annually
 10 audited financial statement prepared in accordance with
 11 United States generally accepted auditing principles to the
 12 Office of Management and Budget.

13 (c) REPORT.—

14 (1) IN GENERAL.—Not later than 90 days after
 15 the date of enactment of this Act, the Director of
 16 the Office of Management and Budget shall submit
 17 a report described under paragraph (2) to the—

18 (A) Committee on Governmental Affairs of
 19 the Senate; and

20 (B) Committee on Government Reform of
 21 the House of Representatives.

22 (2) CONTENT.—The report under paragraph
 23 (1) shall include—

24 (A) a list of each Federal entity as defined
 25 under subsection (a); and

1 (B) actions taken by the Office of Manage-
2 ment and Budget to implement subsection (b).

3 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated such sums
5 as may be necessary to carry out this Act in fiscal year
6 2005, and each fiscal year thereafter.

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