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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO THE GENERAL ASSEMBLY - AUDITOR GENERAL

Introduced By: Representatives Morgan, Giarrusso, Chippendale, and Costa

Date Introduced: February 26, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 22-13-4 of the General Laws in Chapter 22-13 entitled "Auditor  
2 General" is hereby amended to read as follows:

3           **22-13-4. Definitions -- Duties of auditor general -- Investigations by committee. --** (a)

4 The following words and phrases have the following meanings unless a different meaning is  
5 required by the context:

6           (1) "Performance audit" means an examination of the effectiveness of administration and  
7 its efficiency and adequacy in terms of the program of the state agency authorized by law to be  
8 performed. The "performance audit" may also include a review of the agency in terms of  
9 compliance with federal and state laws and executive orders relating to equal employment  
10 opportunities and the set aside for minority businesses.

11           (2) "Political subdivision" means a separate agency or unit of local government created  
12 or established by law and includes, but is not limited to, the following and the officers of the  
13 following: authority, board, branch, bureau, city, commission, council, consolidated government,  
14 county, department, district, institution, metropolitan government, municipality, office, officer,  
15 public corporation, town, or village.

16           (3) "Post-audit" means an audit made at some point after the completion of a transaction  
17 or a group of transactions.

18           (4) "State agency" means a separate agency or unit of state government created or  
19 established by law and includes, but is not limited to, the following and the officers of the

1 following: authority, board, branch, bureau, commission, council, department, division,  
2 institution, office, officer, or public corporation, as the case may be, except any agency or unit  
3 within the legislative branch of state government.

4 (b) The auditor general shall make post-audits and performance audits of public records  
5 and perform related duties as prescribed by the committee. He or she shall perform his or her  
6 duties independently but under the general policies established by the committee.

7 (c) (1) The auditor general shall have the power and duty to make post-audits and  
8 performance audits of the accounts and records of all state agencies, including the board of  
9 governors for higher education and the board of regents for elementary and secondary education,  
10 as defined in this section.

11 (2) The auditor general shall have the power, when requested by a majority of the  
12 committee, to make post-audits and performance audits of accounts and records of any other  
13 public body or political subdivision, or any association or corporation created or established by  
14 any general or special law of the general assembly, or any person, association, or corporation to  
15 which monies of the state have been appropriated by the general assembly. Nothing in the  
16 subdivision shall be construed to apply to public utilities.

17 (3) The auditor general shall perform or have performed annually a complete post-audit  
18 of the financial transactions and accounts of the state when approved by the chairperson of the  
19 joint committee on legislative services.

20 (d) The committee [and/or the auditor general](#) may at any time, without regard to whether  
21 the legislature is then in session or out of session, take under investigation any matter within the  
22 scope of an audit either completed or then being conducted by the auditor general, and in  
23 connection with that investigation may exercise the powers of subpoena vested by law in a  
24 standing committee of the legislature.

25 (e) (1) The auditor general may, when directed by the committee, designate and direct  
26 any auditor employed by him or her to audit any accounts or records within the power of the  
27 auditor general to audit. The auditor shall report his or her findings for review by the auditor  
28 general, who shall prepare the audit report.

29 (2) The audit report shall make special mention of:

30 (i) Any violation of the laws within the scope of the audit; and

31 (ii) Any illegal or improper expenditure, any improper accounting procedures, all  
32 failures to properly record financial transactions, and all other inaccuracies, irregularities,  
33 shortages, and defalcations.

34 (3) At the conclusion of the audit, the auditor general or his or her designated

1 representative will conduct an exit conference with the official whose office or department is  
2 subject to audit and submit to him or her a draft report which includes a list of findings and  
3 recommendations. If an official is not available for the exit conference, delivery of the draft  
4 report is presumed to be sufficient notice. The official must submit to the auditor general within  
5 sixty (60) days after the receipt of the draft report his or her written reply as to:

6 (i) Acceptance and plan of implementation of each recommendation;

7 (ii) Reason(s) for non-acceptance of a recommendation.

8 (4) Should the auditor general determine that the written explanation or rebuttal of the  
9 official whose office is subject to audit is unsatisfactory, he or she shall, as soon as practicable,  
10 report his or her findings to the joint committee on legislative services.

11 (f) A copy of the audit report shall be submitted to each member of the committee.

12 (g) If the auditor general discovers any errors, unusual practices, or any other  
13 discrepancies in connection with his or her audit or post-audit of a state agency or state officers,  
14 the auditor general shall, as soon as practicable, notify in writing the president of the senate and  
15 the speaker of the house of representatives, respectively.

16 (h) The auditor general shall annually review the capital development program to  
17 determine: (1) the status of all projects included in the program; (2) whether the funds are being  
18 properly expended for their intended purposes; (3) the completion date or projected completion  
19 date of the projects; (4) which projects require professional services and to determine the identity  
20 of individuals or firms appointed; and (5) the expended and unexpended funds. This report shall  
21 be annually submitted to the general assembly on the first Wednesday in February.

22 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO THE GENERAL ASSEMBLY - AUDITOR GENERAL

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1           This act would empower the auditor general to conduct investigations within the purview  
2 of his/her rights, duties, and responsibilities to conduct investigations, whether the general  
3 assembly is in session or not.

4           This act would take effect upon passage.

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