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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO THE GENERAL ASSEMBLY - THE LEGISLATIVE AUDIT BUREAU

Introduced By: Senators Ciccone, Cote, McCaffrey, Raptakis, and Picard

Date Introduced: February 28, 2013

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Chapter 22-13 of the General Laws entitled "Auditor General" is hereby  
2 amended by adding thereto the following section:

3           **22-13-11. Audit provided for by finance committee of the house of representatives. –**  
4 It shall be the duty of the finance committee of the house of representatives to provide annually  
5 for a complete post audit of the financial transactions and accounts of the state. The finance  
6 committee of the house of representatives shall be required to utilize the services of the auditor  
7 general to perform the post audit. The post audit shall commence as soon as possible after the  
8 close of each fiscal year and shall include the examination of all accounts from the date of the last  
9 post audit.

10           **22-13-12. Specifications of audit - copies of report. –** The director of administration  
11 and the general treasurer shall assist the finance committee of the house of representatives in  
12 determining the post audit specifications prior to the employment of the certified public  
13 accountant or accountants. Upon completion of the post audit the certified public accountant or  
14 accountants shall submit copies of the report to the members of the finance committee of the  
15 house of representatives, the governor, the director of administration, the general treasurer, and  
16 the legislative council. The report shall also be made available for public inspection.

17           **22-13-13. Audit of quasi-public agencies. –** All quasi-public agencies including  
18 corporations, authorities, commissions, and boards created by the authority of the general  
19 assembly, executive order, or state law, excluding cities and their subdivisions, towns and their

1 subdivisions, regional school districts and school committees, water districts, fire districts, and  
2 any other municipal corporations and their agencies, subject to post audit, are hereby required to  
3 obtain the approval of the director of administration and the auditor general prior to the  
4 employment of private auditors. Audit workpapers of the private auditors shall be made available  
5 upon request, at the completion of the audit, to the auditor general and/or the director of  
6 administration for their review. The audit report shall be furnished to the auditor general and the  
7 director of administration.

8 **22-13-14. Travel and entertainment expenses of quasi-public agencies.** – Quasi-public  
9 agencies, as set forth in section 35-7-13, shall prepare and maintain documentation for all travel  
10 and entertainment expenses in sufficient detail to allow for post audit.

11 SECTION 2. Title 22 of the General Laws entitled "GENERAL ASSEMBLY" is hereby  
12 amended by adding thereto the following chapter:

13 CHAPTER 20

14 THE BUREAU OF AUDITS COMMITTEE

15 **22-20-1. Title.** – This chapter shall be known as “The Bureau of Audits Committee.”

16 **22-20-2. Bureau of audits committee created – Appointment of members - Officers.**

17 – (a) There is hereby created the bureau of audits committee that shall consist of five (5) members  
18 as follows: two (2) shall be appointed by the speaker of the house; two (2) shall be appointed by  
19 the senate president; one shall be appointed alternately by the senate president and the speaker of  
20 the house with the senate president making the first appointment.

21 (b) Appointments to the committee shall be made to provide demonstrated and  
22 acknowledged expertise in a diverse range of financial and auditing areas, including:

23 (1) Financial expert;

24 (2) Active certified public accountant;

25 (3) Certified internal auditor;

26 (4) Governmental financial accounting expert; and

27 (5) Information technology systems and services expert.

28 (c) Appointments to the committee shall consider the expertise of the other members so  
29 that the committee’s composition reflects a range and diversity of skills.

30 (d) No member of the committee shall be a current or former state legislator, or be  
31 employed by, a consultant to, or affiliated with the Rhode Island house of representatives or the  
32 Rhode Island senate.

33 (e) A committee member shall not receive compensation for his or her service on the  
34 committee, but may receive a per diem and reimbursement for travel and other necessary

1 expenses while engaged in the performance of official duties of the committee.

2 (f) Each committee member shall, before entering upon his or her duties, take an oath to  
3 administer the duties of his or her office faithfully and impartially, and the oath shall be filed in  
4 the office of the secretary of state.

5 (g) A quorum shall consist of three (3) members of the committee. A majority vote of  
6 those present shall be required for action.

7 (h) There shall not be any liability in a private capacity on the part of the committee or  
8 any member of the committee, or any officer or employee of the committee or on account of any  
9 act performed or obligation entered into in an official capacity, when done in good faith, without  
10 intent to defraud, and in connection with the administration, management, or conduct of this  
11 chapter or affairs related to this chapter.

12 (i) The committee shall adopt a code of ethics applicable to each committee member,  
13 officer and employee that, at a minimum, includes standards established in chapter 36-14 (“code  
14 of ethics”).

15 **22-20-3. Term of office – Officers - Vacancies.** – (a) One of those members first  
16 appointed by the speaker of the house shall serve an initial term of two (2) years; one of those  
17 members first appointed by the senate president shall serve an initial term of two (2) years.  
18 Thereafter, all appointed members of the committee shall be appointed to serve for terms of three  
19 (3) years, except for the member alternately appointed who shall serve a term of four (4) years.

20 (b) The member alternately appointed shall serve as chairperson. The committee shall  
21 select a vice chairperson and secretary from among its membership.

22 (c) The committee members are eligible to succeed themselves. All appointed committee  
23 members shall be appointed to serve for not more than two (2) terms. A vacancy other than by  
24 expiration shall be filled in the manner of the original appointment but only for the unexpired  
25 portion of the term.

26 (d) A member of the committee appointed by the speaker of the house shall be removable  
27 by the speaker of the house with the consent of a majority of the senate. A member of the  
28 committee appointed by the senate president shall be removable by the senate president with the  
29 consent of a majority of the house. Removal in accordance with this subsection shall be for cause  
30 only and removal solely for partisan or personal reasons unrelated to capacity or fitness for the  
31 office shall be unlawful.

32 (e) Any committee member who fails to attend more than fifty percent (50%) of all  
33 meetings held during any calendar year shall be deemed to have resigned, unless the committee  
34 member requests in writing to the chairperson to serve the remaining term of his or her

1 appointment, setting forth the reason or reasons for the absences, and the majority of the  
2 committee members approve the request.

3 **22-20-4. Chief of the bureau of audits.** – (a) The committee shall engage a chief of the  
4 bureau of audits who shall be an employee of the committee and who shall not be a member of  
5 the committee. At the time of appointment, the chief of the bureau of audits shall have had active  
6 experience in general accounting principles and practices in this state for a total period of at least  
7 five (5) years. The chief of the bureau of audits shall be in the unclassified service. The duties and  
8 powers of the chief of the bureau of audits shall be determined by the committee and the chief  
9 shall be subject to the direction and control of the committee. The committee shall not engage a  
10 chief for more than five (5) years; provided, however, that the committee may renew its contract  
11 with the chief of the bureau of audits.

12 (b) The committee shall employ qualified persons necessary for the efficient operation of  
13 the bureau of audits, shall determine their duties and compensation, shall be subject to the  
14 direction and control of the committee, and those persons shall be in the unclassified service.

15 (1) No person shall be employed as an auditor who does not have adequate technical  
16 training and proficiency, and a baccalaureate degree from a college or university, and no person  
17 shall be employed or retained as legal advisor on either a full-time or a part-time basis who is not  
18 a member of the Rhode Island bar.

19 (c) The chief, before entering upon the duties of his or her office, shall take and subscribe  
20 to the oath of office required of state officers by the state constitution.

21 (d) The chief shall be provided with suitable quarters, but to facilitate auditing and to  
22 eliminate unnecessary traveling, the committee may establish divisions and assign auditors to  
23 each division and determine their duties and the areas of the state to be served by the respective  
24 divisions. The chief shall be provided and furnished with any space that may be necessary to  
25 carry out his or her functions in other areas of the state.

26 (e) Subject to the direction of the committee, the chief may make and enforce reasonable  
27 rules and regulations necessary to facilitate audits which the committee authorizes the chief to  
28 perform.

29 (f) No employee of the bureau of audits shall serve as an executive, officer, or employee  
30 of any political party committee, organization, or association or be employed by, a consultant to,  
31 or affiliated with the house or senate. Neither the chief nor any employee of the bureau of audits  
32 shall become a candidate for election to public office unless he or she shall first resign from his or  
33 her office or employment.

34 **22-20-5. Salaries and expenses.** – (a) The expenses of the members of the committee

1 shall be approved by the chairperson of the committee, and paid from the appropriation for  
2 legislative expense.

3 (b) The chief shall prepare and annually submit to the committee a proposed budget for  
4 the ensuing fiscal year. The committee shall review the budget request and may amend or change  
5 the budget request as it deems necessary. The budget request, as amended or changed by the  
6 committee, shall become the operating budget of the bureau of audits for the ensuing fiscal year;  
7 provided, that the budget so adopted may subsequently be amended under the same procedure.

8 (c) Within the limitations of the approved operating budget, the salaries and expenses of  
9 the chief and his or her staff shall be paid from the appropriation for legislative expense or any  
10 other moneys appropriated by the legislature for that purpose. The committee shall approve all  
11 bills for salaries and expenses.

12 (d) Commencing January 1, 2014, and every year thereafter, each quasi-public  
13 corporation shall be assessed an amount not to exceed one-sixteenth (1/16) of one percent (1%) of  
14 its total annual revenue for the previous fiscal year. The assessments shall be placed in a  
15 restricted receipt account of the joint committee on legislative services for the sole purpose of  
16 covering the operating costs of the bureau of audits. For purposes of this chapter, a quasi-public  
17 corporation means any body corporate and politic created or to be created pursuant to the general  
18 laws.

19 **22-20-6. Access of chief to state property – Assistance to other departments. –** For  
20 the purpose of making any investigation authorized by this chapter, the chief of the bureau of  
21 audits or his or her duly authorized agent may enter upon any state property at any reasonable  
22 time.

23 **22-20-7. Audits performed by the bureau of audits. –** (a) The bureau of audits is  
24 authorized to conduct audits of any state department, state agency, quasi-public corporation, or  
25 private entity that is a recipient of state funding or state grants. As deemed necessary or expedient  
26 by the bureau of audits, audits may be made relative to the financial affairs or the economy and  
27 efficiency of management of each department, agency and quasi-public corporations. The chief,  
28 at the direction of the committee, shall determine which such audits shall be performed in  
29 accordance with a risk-based evaluation. Unless there is an issue of misappropriation, the  
30 provisions of this section shall not apply to non-profit organizations.

31 (b) Within twenty (20) days following the date of the issuance of the final audit report,  
32 the head of the department, agency, quasi-public corporation, or private entity audited shall  
33 respond in writing to each recommendation made in the final audit report. This response shall  
34 address the department's, agency's, quasi-public corporation's, or private entity's plan of

1 implementation for each specific audit recommendation and, if applicable, the reasons for  
2 disagreement with any recommendation proposed in the audit report. Within one year following  
3 the date on which the audit report was issued, the bureau of audits may perform a follow-up audit  
4 for the purpose of determining whether the department, agency, or quasi-public corporation, or  
5 private entity has implemented, in an efficient and effective manner, its plan of action for the  
6 recommendations proposed in the audit report.

7 (c) The bureau of audits shall maintain a full record of each audit. In the event that  
8 information gathered as a result of an audit indicates that criminal activity may have occurred, the  
9 chief of the bureau of audits may provide such information to a state or federal law enforcement  
10 agency. For any such information that is otherwise exempt from public disclosure under the  
11 provisions of chapter 38-2-1, the provision of such information to a law enforcement agency shall  
12 not therefore require that this information be further disclosed.

13 (d) Copies of each audit report, the written response to the audit report, and the results of  
14 each follow-up audit as described in subsection (b) above shall be submitted to the governor and  
15 the chairpersons of the house finance committee and the senate finance committee.

16 **22-20-8. Cost of forensic examinations.** – When it is determined by the chief at the  
17 direction of the committee that an audit is necessary because there is sufficient evidence to  
18 believe that there may have been fiscal impropriety, wrongdoing or fiscal mismanagement by any  
19 employee, board member, or commissioner of any state agency or authority as defined in section  
20 42-35-1, the bureau of audits may conduct a forensic examination of such entity. All costs  
21 associated with the forensic examination shall be paid, as deemed appropriate by the committee,  
22 either by the examined entity or by an appropriation proposed by the governor and enacted by the  
23 general assembly. Such costs shall include, but not be limited to, the following expenses:

24 (1) One hundred percent (100%) of the total salaries and benefits paid to the examining  
25 personnel of the bureau of audits engaged in those examinations;

26 (2) All costs associated with the procurement of a forensic consultant;

27 (3) All costs associated with a consultant that provides expertise pertinent to the  
28 examinee's operations; and

29 (4) All reasonable technology costs related to the forensic examination process.  
30 Technology costs shall include the actual cost of software and hardware utilized in the  
31 examination process and the cost of training examination personnel in the proper use of the  
32 software/hardware.

33 **22-20-9. Investigations or management advisory and consulting services upon**  
34 **request of governor or general assembly.** – The bureau of audits shall, upon the written request

1 of the governor, the director of the department of administration, or of either branch of the  
2 general assembly, conduct audits, provide management advisory and consulting services, or  
3 conduct investigations relative to the financial affairs or the economy and efficiency of  
4 management, or both, of any state department or agency. The chief, at the direction of the  
5 committee, may from time to time, make such investigations and additional reports to the  
6 governor, the director of the department of administration, and the general assembly as the chief,  
7 at the direction of the committee shall deem necessary or advisable.

8 **22-20-10. Management advisory and consulting services provided to state agencies**  
9 **and departments.** – When requested in writing by the head of a state department, agency or  
10 quasi-public corporation the chief, at the direction of the committee, may provide management  
11 advisory or consulting services to the department or agency. Any such request must include the  
12 scope of services requested and a schedule for the work to be performed.

13 **22-20-11. Persons authorized to conduct audits – Reports of irregularities.** – Any  
14 qualified person duly authorized by the committee to act as auditor may examine the books,  
15 papers, and documents of any department, or of the clerk of any court or office of the state having  
16 control of funds, and if the audit discloses any irregularities or improper handling of records or  
17 funds, the auditor shall report the same to the committee, the governor, the speaker of the house  
18 and the senate president.

19 **22-20-12. Disclosure of confidential health care information.** – A patient's  
20 confidential health care information shall be released or transferred without the written consent of  
21 the patient or the patient's authorized representative to the chief or his or her designated  
22 representative for the purpose of conducting financial audits, management audits, program  
23 evaluations, and research, provided the personnel shall not identify, directly or indirectly, any  
24 individual patient in any report of the audit, evaluation, or research, or otherwise disclose patient  
25 identities in any manner.

26 **22-20-13. Access to executive sessions of a public agency – Access to records –**  
27 **Disclosure by the chief.** – (a) Whenever a public agency goes into executive session, the chief or  
28 his or her designated representative shall be permitted to attend the executive session or if the  
29 chief or his or her designee is not in attendance at the executive session, the chief or his or her  
30 designee, upon written request, shall be furnished with copies of all data or materials furnished to  
31 the members of the public agency at the executive session. If the chief or his or her designee  
32 attends the executive session, the chief shall be furnished the same data in the same form and at  
33 the same time as members of the public agency.

34 (b) Within three (3) working days of a written request by the chief, the public agency

1 shall furnish a copy, whether approved by the agency or not, of the minutes of any meeting,  
2 including any executive session of the public agency.

3 (c) The chief shall have full and unlimited access to any and all records of any public  
4 agency, in whatever form or mode the records may be, unless the chief's access to the records is  
5 specifically prohibited or limited by federal or state law. In no case shall any confidentiality  
6 provisions of state law be construed to restrict the chief's access to the records; provided, the  
7 chief's access to any confidential data shall not in any way change the confidential nature of the  
8 data obtained. Where an audit or investigative finding emanates from confidential data, specific  
9 confidential information shall not be made public. The records shall include those in the  
10 immediate possession of a public agency as well as records which the agency itself has a right to.  
11 In the event of a dispute between the agency involved and the chief as to whether or not the data  
12 involved are confidential by law, the matter shall be referred to the attorney general for  
13 resolution.

14 (d) If, in the course of an executive session, any fact comes to the attention of the chief or  
15 his or her designated representative, which in his or her judgment constitutes an impropriety,  
16 irregularity, or illegal transaction, or points to the onset of an impropriety or illegal transaction,  
17 then the chief shall disclose that information to the bureau of audits committee, and the  
18 chairperson of the public agency involved. Where the facts or the data upon which the facts are  
19 based are deemed confidential pursuant to the provisions of federal or state law, the chief's access  
20 to the information shall not in any way change the confidential nature of the data obtained.

21 (e) In the event of a dispute between the agency involved and the chief as to whether or  
22 not the data involved are confidential by law, the matter will be referred to the attorney general  
23 for resolution.

24 (f) The chief or his or her designated representative shall be immune from any liability to  
25 any party for claims arising out of disclosure authorized by this section.

26 (g) For the purposes of this section, the phrase "public agency" shall include the  
27 following: the Rhode Island industrial building authority, the Rhode Island recreational building  
28 authority, the Rhode Island economic development corporation, the Rhode Island industrial  
29 facilities corporation, the Rhode Island refunding bond authority, the Rhode Island housing and  
30 mortgage finance corporation, the Rhode Island resource recovery corporation, the Rhode Island  
31 public transit authority, the Rhode Island student loan authority, the water resources board, the  
32 Rhode Island health and educational building corporation, the Rhode Island higher education  
33 assistance authority, the Rhode Island turnpike and bridge authority, the Narragansett Bay  
34 commission, Rhode Island public telecommunications authority, the convention center authority,



1 channel 36 foundation, their successors and assigns, and any other body corporate and politic  
2 which has been or which is subsequently created or established within this state.

3 **22-20-14. Rules and regulations.** – The committee may adopt rules or any amendments  
4 to rules in accordance with the provisions of chapter 42-35.

5 **22-20-15. Applicability of other laws.** – The exchange shall be subject to the provisions  
6 of chapter 22 (“open meetings”), chapter 36-14 (“code of ethics”) and chapter 38-2 (“access to  
7 public records”).

8 SECTION 3. Chapter 35-7 of the General Laws entitled "Post Audit of Accounts" is  
9 hereby repealed in its entirety.

10 ~~CHAPTER 35-7~~

11 ~~Post Audit of Accounts~~

12 ~~**35-7-1. Bureau of audits.** – The director of administration shall create a bureau of audits~~  
13 ~~which shall conduct all audits required by any department.~~

14 ~~**35-7-2. Repealed.** –~~

15 ~~**35-7-3. Audits performed by the bureau of audits.** – (a) The bureau of audits is~~  
16 ~~authorized to conduct audits of any state department, state agency, or private entity that is a~~  
17 ~~recipient of state funding or state grants. As deemed necessary or expedient by the bureau of~~  
18 ~~audits, audits may be made relative to the financial affairs or the economy and efficiency of~~  
19 ~~management of each department and agency. The bureau of audits shall determine which such~~  
20 ~~audits shall be performed in accordance with a risk-based evaluation. Unless there is an issue of~~  
21 ~~misappropriation, the provisions of this section shall not apply to non-profit organizations.~~

22 ~~(b) Within twenty (20) days following the date of the issuance of the final audit report,~~  
23 ~~the head of the department, agency or private entity audited shall respond in writing to each~~  
24 ~~recommendation made in the final audit report. This response shall address the department's,~~  
25 ~~agency's or private entity's plan of implementation for each specific audit recommendation and, if~~  
26 ~~applicable, the reasons for disagreement with any recommendation proposed in the audit report.~~  
27 ~~Within one year following the date on which the audit report was issued, the bureau of audits may~~  
28 ~~perform a follow-up audit for the purpose of determining whether the department, agency or~~  
29 ~~private entity has implemented, in an efficient and effective manner, its plan of action for the~~  
30 ~~recommendations proposed in the audit report.~~

31 ~~(c) The bureau of audits shall maintain a full record of each audit. In the event that~~  
32 ~~information gathered as a result of an audit indicates that criminal activity may have occurred, the~~  
33 ~~chief of the bureau of audits may provide such information to a state or federal law enforcement~~  
34 ~~agency. For any such information that is otherwise exempt from public disclosure under the~~

1 ~~provisions of Rhode Island general law section 38-2-1 et seq., the provision of such information~~  
2 ~~to a law enforcement agency shall not therefore require that this information be further disclosed.~~

3 ~~(d) Copies of each audit report, the written response to the audit report, and the results of~~  
4 ~~each follow up audit as described in subsection (b) above shall be submitted to the chairpersons~~  
5 ~~of the house finance committee and the senate finance committee.~~

6 ~~**35-7-3.1. Cost of forensic examinations.**--- When it is determined by the bureau of~~  
7 ~~audits that an audit is necessary because there is sufficient evidence to believe that there may~~  
8 ~~have been fiscal impropriety, wrongdoing or fiscal mismanagement by any employee, board~~  
9 ~~member, or commissioner of any state agency or authority as defined in section 42-35-1, the~~  
10 ~~bureau of audits may conduct a forensic examination of such entity. All costs associated with the~~  
11 ~~forensic examination shall be paid, as deemed appropriate, either by the examined entity or by an~~  
12 ~~appropriation proposed by the governor and enacted by the general assembly. Such costs shall~~  
13 ~~include, but not be limited to, the following expenses:~~

14 ~~(1) One hundred percent (100%) of the total salaries and benefits paid to the examining~~  
15 ~~personnel of the bureau of audits engaged in those examinations;~~

16 ~~(2) All costs associated with the procurement of a forensic consultant;~~

17 ~~(3) All costs associated with a consultant that provides expertise pertinent to the~~  
18 ~~examinee's operations;~~

19 ~~(4) All reasonable technology costs related to the forensic examination process.~~  
20 ~~Technology costs shall include the actual cost of software and hardware utilized in the~~  
21 ~~examination process and the cost of training examination personnel in the proper use of the~~  
22 ~~software hardware.~~

23 ~~**35-7-4. Repealed.**---~~

24 ~~**35-7-5. Investigations or management advisory and consulting services upon request**~~  
25 ~~**of governor or general assembly.**---~~ The bureau of audits shall, upon the written request of the  
26 ~~governor, the director of the department of administration, or of either branch of the general~~  
27 ~~assembly, conduct audits, provide management advisory and consulting services, or conduct~~  
28 ~~investigations relative to the financial affairs or the economy and efficiency of management, or~~  
29 ~~both, of any state department or agency. The bureau of audits may from time to time make such~~  
30 ~~investigations and additional reports to the governor, the director of the department of~~  
31 ~~administration, and the general assembly as the chief of the bureau shall deem necessary or~~  
32 ~~advisable.~~

33 ~~**35-7-5.1. Management advisory and consulting services provided to state agencies**~~  
34 ~~**and departments.**---~~ When requested in writing by the head of a state department or agency to

1 ~~the director of administration, the bureau of audits may provide management advisory or~~  
2 ~~consulting services to the department or agency. Any such request must include the scope of~~  
3 ~~services requested and a schedule for the work to be performed.~~

4 ~~**35-7-6. Repealed.--**~~

5 ~~**35-7-7. Persons authorized to conduct audits -- Reports of irregularities.** -- Any~~  
6 ~~qualified person duly authorized by the director of administration to act as auditor may examine~~  
7 ~~the books, papers, and documents of any department, or of the clerk of any court or office of the~~  
8 ~~state having control of funds, and if the audit discloses any irregularities or improper handling of~~  
9 ~~records or funds, the auditor shall report the same to the director, who shall report to the governor~~  
10 ~~with his or her recommendations.~~

11 ~~**35-7-8. Access of director to state property -- Assistance to other departments.** -- For~~  
12 ~~the purpose of making any investigation authorized by sections 35-7-1--35-7-9, the director of~~  
13 ~~administration or his or her duly authorized agent may enter upon any state property at any~~  
14 ~~reasonable time. The director, upon request by the proper person, shall assist, so far as~~  
15 ~~practicable, any state department or agency in the keeping of its accounts and financial records~~  
16 ~~and the drawing of contracts and agreements, and may generally advise that person concerning~~  
17 ~~the financial affairs and management of the department or agency.~~

18 ~~**35-7-9. Repealed.--**~~

19 ~~**35-7-10. Audit provided for by finance committee of house.** -- It shall be the duty of~~  
20 ~~the finance committee of the house of representatives to provide annually for a complete post~~  
21 ~~audit of the financial transactions and accounts of the state. The finance committee of the house~~  
22 ~~of representatives shall be required to utilize the services of the auditor general to perform the~~  
23 ~~post-audit. The post-audit shall commence as soon as possible after the close of each fiscal year~~  
24 ~~and shall include the examination of all accounts from the date of the last post-audit.~~

25 ~~**35-7-11. Specifications of audit -- Copies of report.** -- The director of administration~~  
26 ~~and the general treasurer shall assist the finance committee of the house of representatives in~~  
27 ~~determining the post-audit specifications prior to the employment of the certified public~~  
28 ~~accountant or accountants. Upon completion of the post-audit the certified public accountant or~~  
29 ~~accountants shall submit copies of the report to the members of the finance committee of the~~  
30 ~~house of representatives, the governor, the director of administration, the general treasurer, and~~  
31 ~~the legislative council. The report shall also be made available for public inspection.~~

32 ~~**35-7-12. Repealed.--**~~

33 ~~**35-7-13. Audit of quasi-public agencies.** -- All quasi-public agencies including~~  
34 ~~corporations, authorities, commissions, and boards created by the authority of the general~~

1 ~~assembly, executive order, or state law, excluding cities and their subdivisions, towns and their~~  
2 ~~subdivisions, regional school districts and school committees, water districts, fire districts, and~~  
3 ~~any other municipal corporations and their agencies, subject to post audit, are hereby required to~~  
4 ~~obtain the approval of the director of administration and the auditor general prior to the~~  
5 ~~employment of private auditors. Audit workpapers of the private auditors shall be made available~~  
6 ~~upon request, at the completion of the audit, to the auditor general and/or the director of~~  
7 ~~administration for their review. The audit report shall be furnished to the auditor general and the~~  
8 ~~director of administration.~~

9 ~~**35-7-14. Travel and entertainment expenses of quasi-public agencies.** -- Quasi-public~~  
10 ~~agencies, as set forth in section 35-7-13, shall prepare and maintain documentation for all travel~~  
11 ~~and entertainment expenses in sufficient detail to allow for post audit.~~

12 SECTION 4. 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 - THE LEGISLATIVE AUDIT BUREAU

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1           This act would create the bureau of audits committee, delete the provisions of the general  
2 laws relative to “post audit of accounts” and would relocate certain sections from the “post audit  
3 of accounts” chapter into the newly created “bureau of audits committee”.

4           This act would take effect upon passage.

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