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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- CORPORATIONS  
ACCOUNTABILITY AND TRANSPARENCY

Introduced By: Representatives Shekarchi, Casey, Kennedy, Canario, and Williams

Date Introduced: March 13, 2015

Referred To: House Finance

(Administration)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-155-7 of the General Laws in Chapter 42-155 entitled "Quasi-  
2 Public Corporations Accountability and Transparency Act" is hereby amended to read as follows:

3 **42-155-7. Audit of quasi-public corporations. [Effective January 1, 2015.] --** (a)  
4 Commencing January 1, 2015, and every five (5) years thereafter, each quasi-public corporation  
5 shall be subject to a performance audit, conducted in compliance with the generally acceptable  
6 governmental auditing standards [or the standards for the professional practice of internal auditing](#),  
7 by the chief of the bureau of audits. The chief, in collaboration with the quasi-public corporation,  
8 shall determine the scope of the audit. To assist in the performance of an audit, the chief, in  
9 collaboration with the quasi-public corporation, may procure the services of a certified public  
10 accounting firm, which shall be a subcontractor of the bureau of audits, and shall be under the  
11 direct supervision of the bureau of audits. The chief of the bureau of audits shall establish a  
12 rotating schedule identifying the year in which each quasi-public corporation shall be audited.  
13 The schedule shall be posted on the website of the bureau of audits.

14 (b) The audit shall be conducted in conformance with chapter 7 of title 35 ("Post Audit  
15 of Accounting").

16 (c) Each quasi-public corporation shall be responsible for costs associated with its own  
17 audit. The chief and each quasi-public corporation shall agree upon reasonable costs for the audit,  
18 not to exceed seventy-five thousand dollars (\$75,000), that shall be remitted to the bureau of

1 audit.

2 (d) The results of the audit shall be made public upon completion and posted on the  
3 websites of the bureau of audits and the quasi-public corporation.

4 (e) For purposes of this section, a performance audit shall mean an independent  
5 examination of a program, function, operation, or the management systems and procedures of a  
6 governmental or nonprofit entity to assess whether the entity is achieving economy, efficiency,  
7 and effectiveness in the employment of ~~an~~ [all](#) available resources.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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- 1 This act would more closely define the standard for the necessary internal audit.
- 2 This act would take effect upon passage.

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