

2015 -- S 0708

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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: Senators Sheehan, Cote, Lombardi, Conley, and Jabour

Date Introduced: March 18, 2015

Referred To: Senate 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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