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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO GENERAL ASSEMBLY -- AUDITOR GENERAL

Introduced By: Senators Paolino, Thompson, Appollonio, Famiglietti, Raptakis, Pearson,
Murray, and DiPalma
Date Introduced: January 23, 2026

Referred To: Senate 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.**

4 (a) The following words and phrases have the following meanings unless a different
5 meaning is 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 or
12 established by law and includes, but is not limited to, the following and the officers of the following:
13 authority, board, branch, bureau, city, commission, council, consolidated government, county,
14 department, district, institution, metropolitan government, municipality, office, officer, public
15 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 following:

1 authority, board, branch, bureau, commission, council, department, division, institution, office,
2 officer, or public corporation, as the case may be, except any agency or unit within the legislative
3 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 duties
6 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 public
13 body or political subdivision, or any association or corporation created or established by any
14 general or special law of the general assembly, or any person, association, or corporation to which
15 monies of the state have been appropriated by the general assembly. Nothing in the subdivision
16 shall be construed to apply to public utilities.

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

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

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

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

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

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

33 (3) At the conclusion of the audit, the auditor general or his or her designated representative
34 will conduct an exit conference with the official whose office or department is subject to audit and

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

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

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

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

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

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

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

21 (i) The auditor general shall supervise, coordinate, and/or conduct investigations and
22 inspections or oversight reviews with the purpose of preventing and detecting fraud, waste, abuse
23 and mismanagement in the expenditure of public funds.

24 (j) Effective January 1, 2027, the auditor general shall establish a performance audit
25 schedule of all state agencies and quasi-public governmental agencies and shall conduct
26 performance audits on the agencies in compliance with such schedule. The auditor general shall
27 report any agency that fails to satisfy the audits performance standards pursuant to this section to
28 the governor, the speaker of the house, and president of the senate, by January 1, of each year.

29 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 GENERAL ASSEMBLY -- AUDITOR GENERAL

- 1 This act would require the auditor general to conduct performance audits of all state
2 agencies.
3 This act would take effect upon passage.

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