

Existing law grants the legislative auditor the authority to compile financial statements and to examine, audit, or review the books and accounts of auditees. For local auditees, provides that their financial statements shall be audited or reviewed by licensed certified public accountants but may be audited by the legislative auditor under certain conditions. Defines "auditees" as the state treasurer, all public boards, commissions, agencies, departments, political subdivisions of the state, public officials and employees, specified public retirement systems, municipalities, and all other public or quasi public agencies or bodies. Defines "local auditees" as independently elected public local officials, including judges, sheriffs, clerks of court, assessors, and district attorneys, all parish governing authorities and all districts, boards, and commissions created by parish governing authorities either independently or in conjunction with other units of government, school boards, district public defender offices, municipalities, and all boards and commissions created by municipalities, either independently or in conjunction with other units of government, city courts, quasi public agencies, housing authorities, mortgage authorities, or other political subdivisions of the state not included within the state's Comprehensive Annual Financial Reports.

Existing law defines the crime of malfeasance in office and provides criminal penalties including imprisonment for not more than five years with or without hard labor, a fine of not more than \$5,000, or both. Further provides that a person convicted of malfeasance in office may be ordered to pay restitution to the state if the state suffered a loss as a result of the offense.

New law provides that if the type of audit report received by a local auditee from a licensed certified public accountant for three consecutive years is a disclaimer of opinion as defined by Generally Accepted Auditing Standards, the same person has served as agency head of the local auditee for those three consecutive years, and the legislative auditor determines that the agency head willfully failed to provide or maintain the necessary records to conduct the audit, then the three audit reports shall be evidence of malfeasance in office by the agency head.

Effective August 1, 2013.

(Adds R.S. 24:518(D))