

2018 Regular Session

SENATE BILL NO. 499

BY SENATOR DONAHUE

LEGISLATIVE AUDITOR. Provides that the legislative auditor shall make a best practices list available to local auditees. (gov sig)

1 AN ACT

2 To enact R.S. 24:513(A)(8), relative to the legislative auditor; to provide that the legislative  
3 auditor shall prepare a list of best practices; to provide that the list of best practices  
4 shall be available to local auditees preparing for an audit of their public funds; to  
5 provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 24:513(A)(8) is hereby enacted to read as follows:

8 §513. Powers and duties of legislative auditor; audit reports as public records;  
9 assistance and opinions of attorney general; frequency of audits;  
10 subpoena power

11 A.

12 \* \* \*

13 **(8) The legislative auditor shall make available, including by posting on**  
14 **its website, a list of best practices in preparation for an audit of public funds.**

15 **Best practices may include:**

16 **(a) Written policies and procedures in place addressing all financial and**  
17 **business functions, including but not limited to budgeting, purchasing,**

1 disbursements, receipts, payroll, personnel, contracting, travel and expense  
2 reimbursements, ethics, debt service, disaster recovery, and credit, debit, or fuel  
3 cards, as applicable.

4 (b) Balance sheet and budget-to-actual comparisons for general fund and  
5 enterprise fund operations prepared and presented by the executive branch of  
6 the auditee to the legislative branch or governing body of the auditee at each  
7 scheduled meeting of the governing body.

8 (c) Bank reconciliations completed for all bank accounts within one  
9 month of each bank statement being available.

10 (d) Subsidiary ledgers reconciled to the general ledger at least quarterly.

11 (e) Bank deposits reconciled to the underlying receipts or equivalent  
12 documentation prior to deposit.

13 (f) Each credit card purchase supported by original receipts and  
14 including a description of its public purpose. Prior to payment, credit card  
15 statements reconciled to the supporting original receipt, approved by the  
16 signature of the elected official or employee who does not have access to the  
17 related credit card, and dated.

18 (g) Travel and expense reimbursements made in accordance with  
19 officially adopted per diem rates, or supported by an original receipt and  
20 include a description of the public purpose.

21 (h) Contractual payments made in accordance with the terms of the  
22 related written contract, as applicable.

23 (i) Compliance with annual training requirements under the Code of  
24 Governmental Ethics, if applicable to the local auditee, documented and  
25 maintained.

26 (j) A physical inventory of all fixed and movable property items  
27 conducted annually and reconciled to the recorded detailed listings of fixed and  
28 movable property.

29 \* \* \*

1 Section 2. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Martha S. Hess.

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DIGEST

SB 499 Engrossed                      2018 Regular Session                      Donahue

Present law provides relative to audits by the legislative auditor.

Proposed law retains present law and provides that the legislative auditor shall make available, including by posting on its website, a list of best practices in preparation for an audit of public funds. Best practices may include:

- (1) Written policies and procedures in place addressing all financial and business functions, including but not limited to budgeting, purchasing, disbursements, receipts, payroll, personnel, contracting, travel and expense reimbursements, ethics, debt service, disaster recovery, and credit, debit, or fuel cards, as applicable.
- (2) Balance sheet and budget-to-actual comparisons for general fund and enterprise fund operations prepared and presented by the executive branch of the auditee to the legislative branch or governing body of the auditee at each scheduled meeting of the governing body.
- (3) Bank reconciliations completed for all bank accounts within one month of each bank statement being available.
- (4) Subsidiary ledgers reconciled to the general ledger at least quarterly.
- (5) Bank deposits reconciled to the underlying receipts or equivalent documentation prior to deposit.
- (6) Each credit card purchase supported by original receipts and including a description of its public purpose. Prior to payment, credit card statements reconciled to the supporting original receipt, approved by the signature of the elected official or employee that does not have access to the related credit card and dated.
- (7) Travel and expense reimbursements made in accordance with officially adopted per diem rates, or supported by an original receipt and include a description of the public purpose.
- (8) Contractual payments made in accordance with the terms of the related written contract, as applicable.
- (9) Compliance with annual training requirements under the ethics code, if applicable to the local auditee, documented and maintained.
- (10) A physical inventory of all fixed and movable property items conducted annually and reconciled to the recorded detailed listings of fixed and movable property.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 24:513(A)(8))