

Regular Session, 2014

HOUSE BILL NO. 409

BY REPRESENTATIVE CHAMPAGNE

LEGISLATIVE AUDITOR: Provides relative to the authority and duties of the legislative auditor

1 AN ACT

2 To amend and reenact R.S. 24:513(A)(4)(a)(vi) and (b) and to enact R.S.
3 24:513(A)(4)(a)(vii) and (c), relative to the legislative auditor; to provide relative to
4 the authority and duties of the legislative auditor; to authorize the legislative auditor
5 to audit or investigate certain local auditees under certain circumstances; to provide
6 for reimbursement for certain audits; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 24:513(A)(4)(a)(vi) and (b) are hereby amended and reenacted and
9 R.S. 24:513(A)(4)(a)(vii) and (c) are hereby enacted to read as follows:

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

13 A.

14 * * *

15 (4)(a) Paragraph (3) of this Subsection and Subsection B of this Section
16 notwithstanding, the legislative auditor may audit or investigate a local auditee only
17 in those instances when:

18 * * *

19 (vi) The local auditee is a quasi public agency or body in receipt of public
20 funds from any source. In such case, the legislative auditor may audit the public

1 funds at his discretion for financial accountability, statutory compliance, and
2 evaluation of performance relative to the functions and activities of the quasi public
3 agency or body.

4 (vii) In the opinion of the legislative auditor and the Legislative Audit
5 Advisory Council the best interest of the state of Louisiana would be served by his
6 audit of the local auditee.

7 (b) The legislative auditor shall be reimbursed in accordance with R.S.
8 24:517.1(A) for audits performed pursuant to Subparagraph (a) of this Paragraph.

9 (c) Any local auditee selected for audit under the provisions of Item (a)(iii)
10 of this Paragraph shall have the right of appeal to the Legislative Audit Advisory
11 Council. Furthermore, the legislative auditor shall ensure that under the provisions
12 of Item (a)(iii) of this Paragraph audit services are not duplicated.

13 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Champagne

HB No. 409

Abstract: Authorizes the legislative auditor to audit or investigate certain quasi public agencies or bodies that receive public funds and provides for reimbursement for certain audits.

Present law (R.S. 24:513) provides for the powers and duties of the legislative auditor. Includes the authority to examine, audit, or review the books of certain specified entities, known as "auditees", including a quasi public agency or body. Defines "quasi public agency or body" as:

- (1) An organization, either not-for-profit or for profit, created by the state of La. or any political subdivision or agency thereof, any special district or authority, or unit of local government to perform a public purpose.
- (2) An organization, either not-for-profit or for profit, that is a component unit of a governmental reporting entity, as defined under generally accepted accounting principles.
- (3) An organization, either not-for-profit or for profit, created to perform a public purpose and having one or more of the following characteristics:
 - (a) The governing body is elected by the general public.

- (b) A majority of the governing body is appointed by or authorized to be appointed by a governmental entity or individual governmental official as a part of his official duties.
 - (c) The entity is the recipient of the proceeds of an ad valorem tax or general sales tax levied specifically for its operations.
 - (d) The entity is able to directly issue debt, the interest on which is exempt from federal taxation.
 - (e) The entity can be dissolved unilaterally by a governmental entity and its net assets assumed without compensation by that governmental entity.
- (4) Any not-for-profit organization that receives or expends any local or state assistance in any fiscal year.
- (5) Any organization, either not-for-profit or for profit, which is subject to the Open Meetings Law and derives a portion of its income from payments received from any public agency or body.

Present law provides that the legislative auditor may audit or investigate a local auditee only in certain specified instances.

Proposed law retains present law. Additionally provides that the legislative auditor may audit or investigate a local auditee when the local auditee is a quasi public agency or body in receipt of public funds from any source. Provides that in such case, the legislative auditor may audit the public funds at his discretion for financial accountability, statutory compliance, and evaluation of performance relative to the functions and activities of the quasi public agency or body.

Proposed law provides that the legislative auditor shall be reimbursed in accordance with present law (R.S. 24:517.1(A)) for audits of a local auditee performed pursuant to present law and proposed law.

(Amends R.S. 24:513(A)(4)(a)(vi) and (b); Adds R.S. 24:513(A)(4)(a)(vii) and (c))