

Regular Session, 2014

SENATE BILL NO. 460

BY SENATOR ADLEY

LEGISLATIVE AUDITOR. Requires schools receiving certain state scholarship funds to maintain funds in a separate account or use certain accounting procedures established for the legislative auditor. (8/1/14)

1 AN ACT

2 To amend and reenact R.S. 17:4022(3), relative to the legislative auditor; to provide relative  
3 to public funds received by schools as tuition payments under the Student  
4 Scholarships for Educational Excellence Program; to provide authority to the  
5 legislative auditor; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 17:4022(3) is hereby amended and reenacted to read as follows:

8 §4022. Participating schools; requirements

9 \* \* \*

10 (3) Submit to the department an independent financial audit of the school  
11 conducted by a certified public accountant who has been approved by the legislative  
12 auditor. Such audit shall be accompanied by the auditor's statement that the report  
13 is free of material misstatements and fairly presents the participating school's  
14 maximum tuition or actual cost of educating a student pursuant to R.S. 17:4016. The  
15 audit shall be limited in scope to those records necessary for the department to make  
16 scholarship payments to the participating school and shall be submitted to the  
17 legislative auditor for review and investigation of any irregularities or audit findings.

1        **The participating school shall account for all scholarship funds separately from**  
2        **other funds by maintaining funds in a separate account or by using accounting**  
3        **procedures that allow the legislative auditor to identify the separate funds.**  
4        **Such accounting shall allow for thorough auditing of the receipt and**  
5        **expenditure of state scholarship funds allocated through the Louisiana**  
6        **Department of Education.** The participating school shall return to the state any  
7        funds that the legislative auditor determines were expended in a manner inconsistent  
8        with state law or program regulations. The cost of such audit shall be paid by the  
9        department from funds appropriated by the legislature to implement the provisions  
10       of this Chapter.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Ashley Menou.

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DIGEST

Adley (SB 460)

Present law provides that schools participating in the Student Scholarships for Educational Excellence Program must submit to the Department of Education an independent financial audit of the school.

Proposed law retains present law except to require that schools account for all scholarship funds separately from other funds by maintaining funds in a separate account or by using accounting procedures that allow the legislative auditor to identify the separate funds.

Effective August 1, 2014.

(Amends R.S. 17:4022(3))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Senate and Governmental Affairs to the original bill

1. Requires participating schools to maintain funds in a separate account or use accounting methods that allow the legislative auditor to identify the separate funds.
2. Adds that the funds audited shall be funds allocated through the Louisiana Department of Education.
3. Deletes Section 2 providing for not-for-profit organizations receiving or expending local or state assistance in any fiscal year.