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## DIGEST

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HB 286 Engrossed

2015 Regular Session

Pearson

**Abstract:** Requires an internal audit function for postsecondary education and departments in the executive branch of state government with an appropriation of \$30 million or more.

Proposed law requires the Board of Regents, the La. Student Financial Assistance Commission, each postsecondary education management board, and the secretary, as defined in proposed law, of each department in the executive branch of state government with an appropriation of \$30 million or more to establish an internal audit function and to establish an office of the chief audit executive who shall be responsible for ensuring that the internal audit function adheres to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing. Requires the chief audit executive to maintain organizational independence in accordance with these standards and to have direct and unrestricted access to the secretary (or to the appropriate entity specified in proposed law with regard to postsecondary education agencies and institutions). Requires the chief audit executive to annually certify to the secretary or other specified, appropriate entity that the internal audit function conforms to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

Proposed law further requires the Legislative Audit Advisory Council to hold a hearing if the legislative auditor finds that a state agency required to have an internal audit function does not have an effective internal audit function, including that the agency is not adhering to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

(Adds R.S. 17:3023(B), 3138.5, and 3351(H), R.S. 24:553(D), and R.S. 36:8.2)

### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on House and Governmental Affairs to the original bill:

1. Require the chief audit executive to maintain organizational independence in accordance with the specified internal audit standards and to have direct, unrestricted access to the specified agency head.
2. Require that the secretary rather than the undersecretary of the department establish an internal audit function, provide what "secretary" means in the case of specific departments, and remove the proposed deletion of a duty of the secretary of the Dept. of Environmental Quality relative to internal audits.

3. Require the Legislative Audit Advisory Council to hold a hearing if the legislative auditor finds that a state agency required to have an internal audit function does not have an effective internal audit function, including adherence to the specified standards.