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## DIGEST

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HB 647 Engrossed

2015 Regular Session

Ivey

**Abstract:** Provides relative to the powers, duties, and authority of the Legislative Audit Advisory Council.

Present law (R.S. 24:513) grants the legislative auditor the authority to compile financial statements and to examine, audit, or review the books and accounts of the state treasurer, all public boards, commissions, agencies, departments, political subdivisions of the state, public officials and employees, public retirement systems enumerated in present law (R.S. 11:173(A)), municipalities, and all other public or quasi public agencies or bodies. Provides that the scope of the examinations may include financial accountability, legal compliance, and evaluations of the economy, efficiency, and effectiveness of the auditee's programs or any combination of the foregoing. Provides further that the legislative auditor shall have access to and be permitted to examine all papers, books, accounts, records, files, instruments, documents, films, tapes, and any other forms of recordation of all auditees, including but not limited to computers and recording devices, and all software and hardware which hold data, is part of the technical processes leading up to the retention of data, or is part of the security system.

Present law (R.S. 39:72.1) provides that no funds appropriated in the general appropriations act, the capital outlay act, or other appropriation Act, shall be released or provided to any recipient of an appropriation if, when, and for as long as, the recipient fails or refuses to comply with the provisions of present law (R.S. 24:513).

Present law creates the Legislative Audit Advisory Council to advise and consult with the legislative auditor with respect to all matters arising out of his functions, duties, and responsibilities to the legislature. Provides that the council shall make such recommendations to the legislative auditor and to the legislature as it deems necessary or expedient. Provides that the council is responsible for reviewing and approving, with whatever changes it deems necessary or appropriate, each annual budget for the office of the legislative auditor prior to submission of such budget to the legislature for funding and that the council is responsible for fixing the salary of the legislative auditor.

Present law (R.S. 24:554) provides that the council shall have the power and authority to hold hearings, to subpoena witnesses, administer oaths, compel the production of books, documents, records, and papers, public and private, to order the compiling and furnishing to the legislative auditor of the sworn statements and actuarial valuations which are required by present law (R.S. 24:514), to petition directly, or through a representative authorized by the council, the courts for writs of mandamus to order the compiling and furnishing of the sworn statements and actuarial valuations required by present law (R.S. 24:514), and to do all other things necessary to advise, aid,

and assist the legislative auditor in carrying out the duties and responsibilities of his office. Provides that the council also has the full power and authority of the legislature inherent in that body and conferred by law to take testimony at public or private hearings, and upon failure of any person to comply with an order of the council, to punish for contempt.

Present law provides that if the council determines based upon its review and investigation that, without appropriate cause, an auditee has not complied with the recommendations contained in an audit report of such auditee, the council shall forward its determination of noncompliance to the Joint Legislative Committee on the Budget and the appropriate oversight committees of the House of Representatives and the Senate.

Proposed law retains present law and additionally provides that if the council determines based upon its review and investigation that, without appropriate cause, an auditee or local auditee as defined in present law (R.S. 24:513) has failed for three consecutive years to sufficiently resolve the findings contained in an audit report of such auditee or local auditee, the council may, after notice to and a public hearing with the auditee or local auditee, make a determination that the auditee or local auditee has failed or refused to comply with the provisions of present law (R.S. 24:513) and, upon a two-thirds vote of the entire membership of the council, may direct the treasurer to withhold funds in accordance with present law (R.S. 39:72.1).

Effective June 30, 2016.

(Amends R.S. 24:554(B))

#### Summary of Amendments Adopted by House

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

1. Make the holding of a hearing and directing the treasurer to withhold funds under certain circumstances permissive instead of mandatory.
2. Require a two-thirds vote of the entire council in order to direct the treasurer to withhold funds.
3. Require the auditee or local auditee to "resolve" the findings contained in an audit report instead of requiring the auditee or local auditee to "comply with recommendations or correct findings" in the audit report.
4. Add a special effective date.