

H.793

An act relating to the powers and duties of the Auditor of Accounts

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. § 163 is amended to read:

§ 163. DUTIES OF THE AUDITOR OF ACCOUNTS

In addition to any other duties prescribed by law, the Auditor of Accounts shall:

(1) Annually perform or contract for ~~the~~:

(A) an audit of the basic financial statements of the State of Vermont;

(B) the financial and compliance audits of the State of Vermont's federal programs as required by federal law, except that this audit requirement shall not apply to the University of Vermont or the Vermont State Colleges;

and;

(C) at his or her discretion, ~~conduct~~ governmental audits as defined by governmental auditing standards issued by the U.S. Government Accountability Office (GAO), of every department, institution, and agency of the State, including trustees or custodians of retirement and other trust funds held by the State or any officer or officers of the State, and also including every county officer who receives or disburses funds of the State or for the benefit of the State or any county.

(2) In his or her discretion, conduct a continuing post audit of all disbursements made through the Office of the Commissioner of Finance and

Management or the Office of the State Treasurer, including disbursements to a municipality, school supervisory union, school district, or county.

(3)(A) Prominently post and retain on his or her official State website, and update at least annually ~~on or before July 1,~~ the following information:

(i) All reports ~~with findings~~ that result from audits conducted under subdivision (1) of this section.

(ii) ~~A summary of significant recommendations contained in audit reports issued since January 1, 2012 arising from audits conducted under subdivision (1) of this section, and the dates on which corrective actions were taken related to those recommendations. [Repealed.]~~

(iii) A summary of all embezzlement convictions, and false claim convictions as described in 13 V.S.A. § 3016, against any agency or department of the State, since July 1, 2007. The summary shall include the names of all persons convicted of those offenses.

(B) ~~Follow~~ Periodically follow up on the Auditor's recommendations described in subdivision (A)(ii) of this subdivision (3) at least biennially and contained in audit reports arising from audits conducted under subdivision (1) of this section for at least four up to three years from the date of the audit report.

(4)(A)(i) From time to time, as audits are completed, report his or her audit findings first to the Speaker of the House of Representatives and the

President Pro Tempore of the Senate, then to the Governor, the Secretary of Administration, the Commissioner of Finance and Management, and the head of the department, institution, or agency covered by the report.

(ii) The audit reports shall be public records ~~and a copy of each report shall be furnished to and kept in the State Library for public use.~~

(B)(i) Draft audit reports, working papers, correspondence, and other materials relied on by the Auditor of Accounts to produce the draft audit report shall be confidential and exempt from public inspection and copying under the Public Records Act until the audit is completed, but shall be provided to the audited entity upon request unless the record is exempt from public inspection and copying under another provision of law.

(ii) Draft audit reports, working papers, correspondence, and other materials received by an audited entity prior to completion of the audit shall remain confidential until completion of the audit, and shall not be further disclosed by the audited entity until completion of the audit.

(5) Make special audits of any department, institution, and agency as the ~~governor~~ Governor may from time to time require.

(6) [Repealed.]

(7) Subject to the provisions of 3 V.S.A. chapter 13, employ and set the compensation of such assistants, clerical or otherwise, as he or she deems necessary for the proper and efficient administration of his or her office.

However, he or she shall not expend or authorize expenditure of funds for his or her office in excess of the amount appropriated for his or her office in any fiscal year.

(8) Require all State departments and agencies to file with the Auditor of Accounts all audit reports and reports of findings and recommendations received as a result of audits and examinations conducted by or for any federal agency.

~~(9) Perform, or contract with independent public accountants licensed in the State of Vermont to perform, financial and compliance audits as required by the Federal Single Audit Act of 1984, 31 U.S.C. § 7501 et seq. This subdivision shall not apply to the University of Vermont and the Vermont State Colleges. [Repealed.]~~

(10) [Repealed.]

(11)(A) Make available to all counties, municipalities, and supervisory unions as defined in 16 V.S.A. § 11(23) and supervisory districts as defined in 16 V.S.A. § 11(24) a document designed to determine the internal financial controls in place to ~~assure~~ ensure proper use of all public funds.

(i) The Auditor shall consult with the Vermont School Boards Association, the Vermont Association of School Business Officials, and the Vermont League of Cities and Towns in the development of the document.

(ii) The Auditor shall strive to limit the document to one letter-size page.

(B) The Auditor shall also make available to public officials charged with completing the document instructions to assist in its completion.

(12) Make available to all county, ~~municipality~~ municipal, and school district officials with fiduciary responsibilities an education program related to those responsibilities, as resources permit. ~~The program shall provide instruction in fiduciary responsibility, faithful performance of duties, the importance and components of a sound system of internal financial controls, and other topics designed to assist the officials in performing the statutory and fiduciary duties of their offices. The Auditor shall consult with the Vermont School Boards Association, the Vermont Association of School Business Officials, and the Vermont League of Cities and Towns in the development of the education program.~~

Sec. 2. 32 V.S.A. § 168 is amended to read:

§ 168. SINGLE AUDIT REVOLVING FUND

(a)(1) ~~A~~ The Single Audit Revolving Fund is established within the State Treasury, to be administered by the Auditor of Accounts, from which payments may be made for the costs of audits performed pursuant to ~~subdivisions~~ subdivision 163(1) ~~and (9)~~ of this subchapter.

(2) All monies received from charges made for audit services under the provisions of subsection (b) of this section and sums ~~which~~ that may be appropriated to the Fund shall be deposited in the Fund.

(3) Any balance remaining in the Fund at the end of any fiscal year shall be carried forward and remain a part of the Fund.

(b)(1) The Auditor of Accounts shall charge the State department, agency, commission, or State-created authority audited for the direct and indirect costs of an audit performed pursuant to ~~subdivisions~~ subdivision 163(1) ~~and (9)~~ of this ~~title~~ subchapter.

(2) Costs shall be determined by the Auditor of Accounts and approved by the Secretary of Administration.

Sec. 3. 7 V.S.A. § 109 is amended to read:

§ 109. ~~AUDIT OF ACCOUNTS OF BOARD OF LIQUOR AND LOTTERY~~

~~All accounts of the Board of Liquor and Lottery related to its activities pursuant to this title shall be audited annually by the Auditor of Accounts, and the annual report of the audit shall accompany the annual reports of the Board of Liquor and Lottery. [Repealed.]~~

Sec. 4. 16 V.S.A. § 2177 is amended to read:

§ 2177. CONTROLS AND AUDITS; FINANCIAL REPORTS; OTHER
REPORTS

(a) Control of funds appropriated and of the work carried on shall be vested in the Board of Trustees.

(b) The financial statements of the Corporation shall be audited annually as of June 30 by an independent public accounting firm registered in Vermont in accordance with government auditing standards issued by the U.S.

Government Accountability Office. ~~The Auditor of Accounts or his or her designee shall be the State's nonvoting representative to an audit committee established by the Board.~~

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Sec. 5. 16 V.S.A. § 2835 is amended to read:

§ 2835. CONTROLS, AUDITS, AND REPORTS

(a) Control of funds appropriated and all procedures incident to the carrying out of the purposes of this chapter shall be vested in the Board.

(b) The books of account of the Corporation shall be audited annually by an independent public accounting firm registered in the State of Vermont in accordance with government auditing standards issued by the U.S.

Government Accountability Office (GAO) and the resulting audit report filed with the Secretary of Administration not later than November 1 each year. ~~The~~

~~Auditor of Accounts or his or her designee shall be the State's nonvoting representative to an audit committee established by the Board.~~

(c) Biennially, the Board shall report to the ~~Legislature~~ General Assembly on its activities during the preceding biennium. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this ~~section~~ subsection.

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Sec. 6. 24 V.S.A. § 133 is amended to read:

§ 133. COUNTY TAX; AMOUNT; ASSESSMENT

(a) Annually, the assistant judges shall prepare a proposed budget of the county for the ensuing year.

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(e)(1) The proposed budget shall contain any cost estimates and preliminary plans for capital construction in the county pursuant to subchapter 2 of chapter 3 of this title, estimates of the indebtedness of the county, estimates of the probable ordinary expenses of the county for the ensuing year, and any and all other expenses and obligations of the county.

(2) The budget may contain ~~provision~~ provisions for additions to an operations reserve fund and the accumulated total reserve fund shall not at any time exceed an amount equal to 15 percent of the current budget presented.

(3) Pursuant to a capital program, as described in section ~~4426~~ 4430 of this title, the budget may also include a provision for a separate reserve fund for capital construction, reconstruction, remodeling, repairs, renovation, design, or redesign, which shall not at any time exceed an amount equal to 75 percent of the current budget presented. However, if capital construction, reconstruction, remodeling, repairs, renovation, design, or redesign is necessitated by an insured loss or damage to a county building, the separate reserve fund may also include the amount of insurance proceeds received as a result of the loss or damage.

(4) All county budgets shall ~~be presented on the form prescribed by the Auditor of Accounts, after consultation with the association of assistant judges, and shall~~ include the amounts currently budgeted for each item included in the proposed budget.

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Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2020.