

1 H.793

2 Introduced by Representative Copeland Hanzas of Bradford

3 Referred to Committee on

4 Date:

5 Subject: Executive; Auditor of Accounts; powers and duties; Vermont State

6 Colleges; Vermont Student Assistance Corporation; county budgets

7 Statement of purpose of bill as introduced: This bill proposes to amend the
8 powers and duties of the Auditor of Accounts, including those relating to
9 Vermont State Colleges, Vermont Student Assistance Corporation, and county
10 budgets.

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

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

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

14 § 163. DUTIES OF THE AUDITOR OF ACCOUNTS

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

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

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

(B) the ~~compliance audit~~ *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,

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

8 (2) In his or her discretion, conduct a continuing post audit of all
9 disbursements made through the Office of the Commissioner of Finance and
10 Management or the Office of the State Treasurer, including disbursements to a
11 municipality, school supervisory union, school district, or county.

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

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

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 [Repealed.]~~

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

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

10 (4)(A)(i) From time to time, as audits are completed, report his or her
11 audit findings first to the Speaker of the House of Representatives and the
12 President Pro Tempore of the Senate, then to the Governor, the Secretary of
13 Administration, the Commissioner of Finance and Management, and the head
14 of the department, institution, or agency covered by the report.

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

*(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.*

17 (B)(i) Draft audit reports, working papers, correspondence, and other
18 materials relied on by the Auditor of Accounts to produce the draft audit report
19 shall be confidential and exempt from public inspection and copying under the
20 Public Records Act until the audit is completed, but shall be provided to the

1 audited entity upon request unless the record is exempt from public inspection
2 and copying under another provision of law.

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

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

9 (6) [Repealed.]

10 (7) Subject to the provisions of 3 V.S.A. chapter 13, employ and set the
11 compensation of such assistants, clerical or otherwise, as he or she deems
12 necessary for the proper and efficient administration of his or her office.
13 However, he or she shall not expend or authorize expenditure of funds for his
14 or her office in excess of the amount appropriated for his or her office in any
15 fiscal year.

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

20 (9) ~~Perform, or contract with independent public accountants licensed in~~
21 ~~the State of Vermont to perform, financial and compliance audits as required~~

1 by the Federal Single Audit Act of 1984, 31 U.S.C. § 7501 et seq. This
2 subdivision shall not apply to the University of Vermont and the Vermont State
3 Colleges. [Repealed.]

4 (10) [Repealed.]

5 (11)(A) Make available to all counties, municipalities, and supervisory
6 unions as defined in 16 V.S.A. § 11(23) and supervisory districts as defined in
7 16 V.S.A. § 11(24) a document designed to determine the internal financial
8 controls in place to ~~assure~~ ensure proper use of all public funds.

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

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

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

16 (12) Make available to all county, ~~municipality~~ municipal, and school
17 district officials with fiduciary responsibilities an education program related to
18 those responsibilities, as resources permit. ~~The program shall provide~~
19 ~~instruction in fiduciary responsibility, faithful performance of duties, the~~
20 ~~importance and components of a sound system of internal financial controls,~~
21 ~~and other topics designed to assist the officials in performing the statutory and~~

1 ~~fiduciary duties of their offices. The Auditor shall consult with the Vermont~~
2 ~~School Boards Association, the Vermont Association of School Business~~
3 ~~Officials, and the Vermont League of Cities and Towns in the development of~~
4 ~~the education program.~~

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

6 § 168. SINGLE AUDIT REVOLVING FUND

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

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

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

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

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

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

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

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

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

8 § 2177. CONTROLS AND AUDITS; FINANCIAL REPORTS; OTHER
9 REPORTS

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

12 (b) The financial statements of the Corporation shall be audited annually as
13 of June 30 by an independent public accounting firm registered in Vermont in
14 accordance with government auditing standards issued by the U.S.
15 Government Accountability Office. ~~The Auditor of Accounts or his or her~~
16 ~~designee shall be the State's nonvoting representative to an audit committee~~
17 ~~established by the Board.~~

18 * * *

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

20 § 2835. CONTROLS, AUDITS, AND REPORTS

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

