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

(B) the <u>compliance audit financial and compliance audits</u> 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.
	<u>(ii)</u> 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 7	 § 168. SINGLE AUDIT REVOLVING FUND (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 9 10	 § 2177. CONTROLS AND AUDITS; FINANCIAL REPORTS; OTHER REPORTS (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.

1	(b) The books of account of the Corporation shall be audited annually by
2	an independent public accounting firm registered in the State of Vermont in
3	accordance with government auditing standards issued by the U.S.
4	Government Accountability Office (GAO) and the resulting audit report filed
5	with the Secretary of Administration not later than November 1 each year.
6	The Auditor of Accounts or his or her designee shall be the State's nonvoting
7	representative to an audit committee established by the Board.
8	(c) Biennially, the Board shall report to the Legislature General Assembly
9	on its activities during the preceding biennium. The provisions of 2 V.S.A.
10	§ 20(d) (expiration of required reports) shall not apply to the report to be made
11	under this section subsection.
12	* * *
13	Sec. 6. 24 V.S.A. § 133 is amended to read:
14 15	§ 133. COUNTY TAX; AMOUNT; ASSESSMENT(a) Annually, the assistant judges shall prepare a proposed budget of the
16	county for the ensuing year.
17	* * *
18	(e)(1) The proposed budget shall contain any cost estimates and
19	preliminary plans for capital construction in the county pursuant to subchapter
20	2 of chapter 3 of this title, estimates of the indebtedness of the county,
21	estimates of the probable ordinary expenses of the county for the ensuing year,
22	and any and all other expenses and obligations of the county.

1	(2) The budget may contain provision provisions for additions to an
2	operations reserve fund and the accumulated total reserve fund shall not at any
3	time exceed an amount equal to 15 percent of the current budget presented.
4	(3) Pursuant to a capital program, as described in section $4426 \underline{4430}$ of
5	this title, the budget may also include a provision for a separate reserve fund
6	for capital construction, reconstruction, remodeling, repairs, renovation,
7	design, or redesign, which shall not at any time exceed an amount equal to
8	75 percent of the current budget presented. However, if capital construction,
9	reconstruction, remodeling, repairs, renovation, design, or redesign is
10	necessitated by an insured loss or damage to a county building, the separate
11	reserve fund may also include the amount of insurance proceeds received as a
12	result of the loss or damage.
13	(4) All county budgets shall be presented on the form prescribed by the
14	Auditor of Accounts, after consultation with the association of assistant judges,
15	and shall include the amounts currently budgeted for each item included in the
16	proposed budget.
17	* * *
18	Sec. 7. EFFECTIVE DATE

19 <u>This act shall take effect on July 1, 2020.</u>