

2015 Regular Session

HOUSE BILL NO. 286

BY REPRESENTATIVE PEARSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AUDITS/AUDITING: Requires an internal auditing function in state departments

1 AN ACT

2 To amend and reenact R.S. 36:238(B)(1) and to enact R.S. 17:3023(B), 3138.5, 3351(H)
3 and 36:8.2, relative to internal auditing functions in state government; to require an
4 internal auditing function in the Board of Regents, the Louisiana Student Financial
5 Assistance Commission, postsecondary education management boards and certain
6 state departments; to provide for definitions; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. 17:3023(B), 3138.5, and 3351(H) are hereby enacted to read as follows:

9 §3023. Powers and duties

10 A.

11 * * *

12 B. In addition to any other powers and duties authorized by this Section for
13 the Louisiana Student Financial Assistance Commission, the commission shall
14 establish an internal auditing function and shall establish a chief audit executive that
15 will be responsible for adhering to the Institute of Internal Auditors, International
16 Standards for the Professional Practice of Internal Auditing. The chief audit
17 executive shall annually certify to the commission that the internal auditing function
18 conforms with these standards, including:

19 (1) Annually developing and documenting an internal audit plan.

20 (2) Reporting conclusions and findings from the audit plan.

21 * * *

1 §3138.5. Internal auditing function of the Board of Regents

2 In addition to any other powers and duties authorized for the Board of
3 Regents by this Chapter, the board shall establish an internal auditing function and
4 shall establish a chief audit executive that will be responsible for adhering to the
5 Institute of Internal Auditors, International Standards for the Professional Practice
6 of Internal Auditing. The chief audit executive shall annually certify to the board
7 that the internal auditing function conforms with these standards, including:

8 (1) Annually developing and documenting an internal audit plan.

9 (2) Reporting conclusions and findings from the audit plan.

10 * * *

11 §3351. General powers, duties, and functions of postsecondary education
12 management boards

13 * * *

14 H. In addition to any other powers and duties authorized by this Section, any
15 board with an appropriation in the general appropriation bill of thirty million dollars
16 or more shall establish an internal auditing function and shall establish a chief audit
17 executive within the system under its supervision and management that will be
18 responsible for adhering to the Institute of Internal Auditors, International Standards
19 for the Professional Practice of Internal Auditing. The chief audit executive shall
20 annually certify to the management board that the internal auditing function for the
21 system conforms with these standards, including:

22 (1) Annually developing and documenting an internal audit plan.

23 (2) Reporting conclusions and findings from the audit plan.

24 Section 2. R.S. 36:238(B)(1) is hereby amended and reenacted and R.S. 36:8.2 is
25 hereby enacted to read as follows:

26 §8.2. Internal auditing function

27 A. The undersecretary of a department that includes an agency that has an
28 appropriation in the general appropriation bill or the ancillary appropriation bill of
29 thirty million dollars or more shall establish an internal auditing function and shall

1 establish a chief audit executive within the department that will be responsible for
2 adhering to the Institute of Internal Auditors International Standards for the
3 Professional Practice of Internal Auditing. The chief audit executive shall annually
4 certify to the undersecretary that the internal auditing function for the department
5 conforms with these standards, including:

6 (1) Annually developing and documenting an internal audit plan.

7 (2) Reporting conclusions and findings from the audit plan.

8 B. For the purpose of this Section, "undersecretary" means the officer
9 designated to direct and be responsible for the functions of the office of management
10 and finance of each department in the executive branch of state government, except
11 "undersecretary" means the following in the case of the listed departments:

12 (a) For the Department of State Civil Service, the State Civil Service
13 Commission through the director.

14 (b) For the Department of Agriculture, the assistant commissioner for
15 management and finance.

16 (c) For the Department of Education, the deputy superintendent for
17 management and finance.

18 (e) For the Department of Insurance, the deputy commissioner for
19 management and finance.

20 (f) For the Department of Justice, the director of the division of
21 administrative services.

22 (g) For the Department of Public Service, the executive secretary of the
23 Public Service Commission.

24 (h) For the Department of State, the secretary.

25 (i) For the Department of the Treasury, the deputy state treasurer for
26 management and finance.

27 (j) For the Louisiana Workforce Commission, the chief financial officer.

1 (k) For the office of the governor and all of the agencies transferred or
2 placed within the office of the governor, the commissioner of administration.

3 * * *

4 §238. Offices; purposes and functions

5 * * *

6 B.(1) The executive office of the secretary shall provide for the general
7 oversight and supervision of the department in addition to providing ~~internal audits;~~
8 technical advisory support; and communications.

9 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 286 Original

2015 Regular Session

Pearson

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

Proposed law requires that the Board of Regents, the Louisiana Student Financial Assistance Commission, each postsecondary education management board, and the undersecretary, as defined in proposed law, of each department in the executive branch of state government with an appropriation of \$30 million or more establish an internal auditing function and a chief audit executive that will be responsible for adhering to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

Present law provides that one of the duties of the Department of Environmental Quality, executive office of the secretary is to provide internal audits.

Proposed law deletes present law due to the internal audit requirements of the undersecretary in proposed law.

(Amends R.S. 36:238(B)(1); Adds R.S. 17:3023(B), 3138.5, 3351(H) and R.S. 36:8.2)