

SENATE BILL NO. 239

BY SENATOR LAFLEUR

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

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AN ACT

To amend and reenact R.S. 24:513(A)(3) and 554(B), relative to the legislative auditor; to provide for local auditees; to provide for the content of financial statements of local auditees; to provide for supplemental reports; to provide relative to a local auditee that fails to comply with recommendations or to correct findings contained in an audit report; to authorize the Legislative Audit Advisory Council to conduct a hearing under certain circumstances; to authorize the council to direct the treasurer to withhold funds under certain circumstances; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 24:513(A)(3) and 554(B) are hereby amended and reenacted to read as follows:

§513. Powers and duties of legislative auditor; audit reports as public records; assistance and opinions of attorney general; frequency of audits; subpoena power

A.(1)(a) \* \* \*

(3) The financial statements of the offices of the independently elected public local officials, including judges, sheriffs, clerks of court, assessors, and district attorneys, all parish governing authorities, all political subdivisions created by parish governing authorities or by law, and all districts, boards, and commissions created by parish governing authorities either independently or in conjunction with other units of government, school boards, district public defender offices, municipalities, all political subdivisions created by municipal governing authorities, and all boards and commissions created by municipalities, either independently or in conjunction

1 with other units of government, city courts, quasi-public agencies, housing  
 2 authorities, mortgage authorities, or other political subdivisions of the state not  
 3 included within the state's Comprehensive Annual Financial Reports, hereinafter  
 4 collectively referred to as "local auditee", shall be audited or reviewed by licensed  
 5 certified public accountants subject to Paragraphs (5) and (6) of this Subsection, but  
 6 may be audited by the legislative auditor pursuant to Paragraph (4) of this  
 7 Subsection. The total compensation, reimbursements, and benefits of an agency head  
 8 ~~or political subdivision~~ or political subdivision head or chief executive officer related  
 9 to the position, including but not limited to travel, housing, unvouchered expenses,  
 10 per diem, and registration fees shall be reported as a supplemental report within the  
 11 financial statement of the local auditee; **however, nongovernmental entities or not-**  
 12 **for-profit entities that receive public funds shall report only the use of public**  
 13 **funds for the expenditures itemized in the supplemental report.** Any person  
 14 authorized to conduct an audit of a governmental entity pursuant to R.S. 37:77, shall  
 15 be permitted to continue auditing that governmental entity subject to the approval of  
 16 the legislative auditor provided for in Paragraphs (5) and (6) of this Subsection.

17 \* \* \*

18 §554. Powers

19 \* \* \*

20 B.**(1)** If the council determines based upon its review and investigation that,  
 21 without appropriate cause, an auditee has not complied with the recommendations  
 22 contained in an audit report of such auditee, the council shall forward its  
 23 determination of noncompliance to the Joint Legislative Committee on the Budget  
 24 and the appropriate oversight committees of the House of Representatives and the  
 25 Senate.

26 **(2) If the council determines based upon its review and investigation**  
 27 **that, without appropriate cause, a local auditee as defined in R.S. 24:513 has**  
 28 **failed for three consecutive years to sufficiently resolve the findings contained**  
 29 **in an audit report of such local auditee, the council may, after notice to and a**  
 30 **public hearing with the local auditee, make a determination that the local**

1            **auditee has failed or refused to comply with the provisions of R.S. 24:513, and**  
2            **upon two-thirds vote of the entire membership of the council, may direct the**  
3            **treasurer to withhold funds in accordance with R.S. 39:72.1.**

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_