

Regular Session, 2014

HOUSE BILL NO. 408

BY REPRESENTATIVE CHAMPAGNE

COASTAL RESOURCES: Provides for audits of certain coastal restoration projects

## 1 AN ACT

2 To enact R.S. 24:513.5 and R.S. 49:214.5.2(A)(12), relative to coastal protection and  
3 restoration; to provide for powers and duties of the Coastal Protection and  
4 Restoration Authority Board; to provide for comprehensive land use plans; to  
5 provide for audit procedures; to provide for the authority of the legislative auditor;  
6 to provide for the scope of review; to provide for costs; and to provide for related  
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 24:513.5 is hereby enacted to read as follows:

10 §513.5. Deepwater Horizon; audit authority

11 A. The legislative auditor shall have authority to compile financial  
12 statements and to examine, audit, or review the books and accounts of any state,  
13 local, or quasi public entity for any year in which the entity receives or expends  
14 funds related to the Deepwater Horizon oil spill, including any funds received  
15 pursuant to the provisions of the Resources and Ecosystems Sustainability, Tourist  
16 Opportunities, and Revived Economies of the Gulf Coast States Act of 2012  
17 (RESTORE), 33 U.S.C. 1321(t), or any other federal or state law. The scope of  
18 review for these funds shall include but is not limited to compliance with state and  
19 federal laws related to the receipt and expenditure of these funds.

20 B. The scope of the examinations may include financial accountability, legal  
21 compliance with state and federal law, evaluations of the economy, efficiency, and  
22 effectiveness of the auditee's programs, or any combination of the foregoing. The

1 scope of review shall include but is not limited to evaluating internal controls,  
2 internal audit functions, reporting and performance requirements required for use of  
3 the funds, and compliance with state and federal law. The examinations shall  
4 include any funds the entity receives or expends related to the Deepwater Horizon  
5 oil spill, including any funds received pursuant to the provisions of 33 U.S.C.  
6 1321(t).

7 C. The legislative auditor shall adopt guidelines for the form and conduct of  
8 all attestations, compilations, reviews, and audits performed by independent certified  
9 public accountants of state, local, or quasi public entities for any funds received or  
10 expended related to the Deepwater Horizon oil spill, including any funds received  
11 pursuant to 33 U.S.C. 1321(t). For funds received pursuant to 33 U.S.C. 1321(t),  
12 such guidelines shall take into account the rules for such audits adopted by the  
13 secretary of the Treasury of the United States.

14 D. The legislative auditor shall make public any attestation, compilation,  
15 review, or audit performed pursuant to this Section. The legislative auditor may  
16 report findings to the secretary of the Treasury of the United States in addition to the  
17 reporting requirements under state law.

18 E. Funding for the cost of the attestations, compilations, reviews, and audits  
19 required by 33 U.S.C. 1321(t) or any rules promulgated by the secretary of the  
20 Treasury of the United States, shall come from the three percent of each grant  
21 allowed for administrative expenses under 33 U.S.C. 1321(t). Costs of up to one-  
22 half of one percent of the three percent allowed for administrative expenses shall be  
23 paid to the legislative auditor for any such attestation, compilation, review, or audit.

24 Section 2. R.S. 49:214.5.2(A)(12) is hereby enacted to read as follows:

25 §214.5.2. Functions and responsibilities; Coastal Protection and Restoration

26 Authority Board

27 A. The board shall:

28 \* \* \*

(12) Certify and, where appropriate, submit such certification to the governor, a parish's comprehensive land use plan, prepared pursuant to rules and regulations promulgated by the secretary of the Treasury of the United States as authorized by 33 U.S.C. 1321(t), as consistent with or complementary to the most recent comprehensive coastal protection master plan approved by the legislature pursuant to R.S. 49:214.5.3(E). In order to be approved by the board or the governor, a land use plan shall provide for attestations, compilations, reviews, or audits conducted by the legislative auditor pursuant to R.S. 24:513.5 to enable federal agencies, the legislature, and the board to evaluate the efficiency, effectiveness, and operation of the land use plan. The plan shall also provide for the cost of such attestations, compilations, reviews, or audits. Where the provisions of 33 U.S.C. 1321(t) or any rules promulgated by the secretary of the Treasury of the United States require attestations, compilations, reviews, or audits, such costs shall be as provided in R.S. 24:513.5(E).

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#### 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)]

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Champagne

HB No. 408

**Abstract:** Authorizes the legislative auditor to audit projects related to the Deepwater Horizon oil spill.

Proposed law authorizes the legislative auditor to audit the books and accounts of any state, local, or quasi public entity for any year in which the entity receives or expends funds related to the Deepwater Horizon oil spill, including any funds received under the provisions of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE), or any other federal or state law.

Proposed law provides that the scope of review for these funds shall include but is not limited to compliance with state and federal laws related to the receipt and expenditure of these funds including but not limited to evaluating internal controls, internal audit functions, reporting and performance requirements required for use of the funds, and compliance with state and federal law.

Proposed law requires the legislative auditor to adopt guidelines for the form and conduct of audits performed by independent certified public accountants of state, local, or quasi public entities for any funds received or expended related to the Deepwater Horizon oil spill, including any funds received pursuant to the RESTORE Act. For RESTORE Act funds, such

guidelines shall take into account the rules for such audits adopted by the secretary of the U.S. Treasury.

Proposed law authorizes the legislative auditor to make public any audit performed pursuant to proposed law and report findings to the secretary of the U.S. Treasury in addition to the reporting requirements in present law.

Proposed law provides that the costs of the audits required by the RESTORE Act or any rules promulgated by the U.S. Treasury, shall come from the 3% of each grant allowed for administrative expenses under the RESTORE Act. Costs of up to 1/2 of 1% of the 3% allowed for administrative expenses shall be paid to the legislative auditor for any such audit.

Proposed law authorizes the Coastal Protection and Restoration Authority Board to certify and, where appropriate, submit such certification to the governor, a parish's comprehensive land use plan as consistent with or complementary to the most recent comprehensive coastal protection master plan approved by the legislature.

Proposed law requires that for a land use plan to be approved by the board or the governor, the plan must provide for audits by the legislative auditor and costs as provided in proposed law.

(Adds R.S. 24:513.5 and R.S. 49:214.5.2(A)(12))