

2018 Regular Session

SENATE BILL NO. 307

BY SENATOR WARD

LEGISLATIVE OVERSIGHT. Provides relative to annual certifications by internal auditors. (gov sig)

1 AN ACT
2 To amend and reenact R.S. 17:3023(B), 3138.6, and 3351(I), R.S. 30:2011(C)(1)(a)(i), R.S.
3 36:8.2(A) and 238(B)(1), and R.S. 47:9009(B)(3), relative to internal auditing; to
4 provide that the chief audit executive shall annually certify conformity with audit
5 standards to the board, secretary, or corporation of the entity being audited, the
6 commissioner of administration, the Legislative Audit Advisory Council, and the
7 Joint Legislative Committee on the Budget; to provide that if the chief audit
8 executive identifies certain significant issues, those issues must be communicated to
9 the board, secretary, or corporation of the entity being audited, the commissioner of
10 administration, the Legislative Audit Advisory Council, and the Joint Legislative
11 Committee on the Budget; to provide for an effective date; and to provide for related
12 matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 17:3023(B), 3138.6, and 3351(I) are hereby amended and reenacted
15 to read as follows:

16 §3023. Powers and duties

17 * * *

1 management, or control, those issues must be communicated to the board, the
2 commissioner of administration, the Legislative Audit Advisory Council, and
3 the Joint Legislative Committee on the Budget.

4 * * *

5 §3351. General powers, duties, and functions of postsecondary education
6 management boards

7 * * *

8 I. In addition to any other powers and duties authorized by this Section, any
9 board with an appropriation in the general appropriation bill of thirty million dollars
10 or more shall establish an internal audit function and shall establish an office of the
11 chief audit executive who shall be responsible for ensuring that the internal audit
12 function adheres to the Institute of Internal Auditors, International Standards for the
13 Professional Practice of Internal Auditing. The chief audit executive shall maintain
14 organizational independence in accordance with these standards and shall have direct
15 and unrestricted access to the management board. The chief audit executive shall
16 annually certify to the management board, the commissioner of administration, the
17 Legislative Audit Advisory Council, and the Joint Legislative Committee on the
18 Budget that the internal audit function conforms to the Institute of Internal Auditors,
19 International Standards for the Professional Practice of Internal Auditing. If the
20 chief audit executive identifies significant issues with governance, risk
21 management, or control, those issues must be communicated to the board, the
22 commissioner of administration, the Legislative Audit Advisory Council, and
23 the Joint Legislative Committee on the Budget.

24 * * *

25 Section 2. R.S. 30:2011(C)(1)(a)(i) is hereby amended and reenacted to read as
26 follows:

27 §2011. Department of Environmental Quality created; duties; powers; structure

28 * * *

29 C.(1) * * *

1 (a)(i) The executive office of the secretary shall provide for the general
 2 oversight and supervision of the department in addition to providing internal audits,
 3 technical advisors, and communications. The secretary shall establish an internal
 4 audit function and shall establish an office of the chief audit executive who shall
 5 be responsible for ensuring that the internal audit function adheres to the
 6 Institute of Internal Auditors, International Standards for the Professional
 7 Practice of Internal Auditing. The chief audit executive shall maintain
 8 organizational independence in accordance with these standards and shall have
 9 direct and unrestricted access to the secretary. The chief audit executive shall
 10 annually certify to the secretary, the commissioner of administration, the
 11 Legislative Audit Advisory Council, and the Joint Legislative Committee on the
 12 Budget that the internal audit function conforms to the Institute of Internal
 13 Auditors, International Standards for the Professional Practice of Internal
 14 Auditing. If the chief audit executive identifies significant issues with
 15 governance, risk management, or control, those issues must be communicated
 16 to the secretary, the commissioner of administration, the Legislative Audit
 17 Advisory Council, and the Joint Legislative Committee on the Budget.

18 * * *

19 Section 3. R.S. 36:8.2(A) and 238(B)(1) are hereby amended and reenacted to read
 20 as follows:

21 §8.2. Internal auditing function

22 A. The secretary of a department that includes an agency that has an
 23 appropriation in the general appropriation bill or the ancillary appropriation bill of
 24 thirty million dollars or more shall establish an internal audit function and shall
 25 establish an office of the chief audit executive who shall be responsible for ensuring
 26 that the internal audit function adheres to the Institute of Internal Auditors,
 27 International Standards for the Professional Practice of Internal Auditing. The chief
 28 audit executive shall maintain organizational independence in accordance with these
 29 standards and shall have direct and unrestricted access to the secretary. The chief

* * *

Section 4. R.S. 47:9009(B)(3) is hereby amended and reenacted to read as follows:

§9009. Conduct and administration of lottery games; powers and duties of corporation; authorized contracts

* * *

B. The corporation shall:

* * *

(3) Adopt by administrative regulation a system of continuous internal audits. **The corporation shall establish an internal audit function and shall establish an office of the chief audit executive who shall be responsible for ensuring that the internal audit function adheres to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing. The chief audit executive shall maintain organizational independence in accordance with these standards and shall have direct and unrestricted access to the corporation. The chief audit executive shall annually certify to the corporation, the commissioner of administration, the Legislative Audit Advisory Council, and the Joint Legislative Committee on the Budget that the internal audit function conforms to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing. If the chief audit executive identifies significant issues with governance, risk management, or control, those issues must be communicated to the corporation, the commissioner of administration, the Legislative Audit Advisory Council, and the Joint Legislative Committee on the Budget.**

* * *

Section 5. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

