The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

## DIGEST 2018 Regular Session

Ward

<u>Present law</u> provides that the Board of Regents, each postsecondary system management board, and any state department that includes an agency that has an appropriation in the general appropriation bill or the ancillary appropriation bill of \$30,000,000 or more shall establish an internal audit function and 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 (audit standards). The chief audit executive is to maintain organizational independence in accordance with these audit standards and have direct and unrestricted access to the secretary.

## Proposed law retains present law.

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<u>Present law</u> further provides that the secretary of the Department of Environmental Quality shall provide for the general oversight and supervision of the department in addition to providing internal audits, technical advisors, and communications. <u>Proposed law</u> retains <u>present law</u> and further provides that the secretary shall establish an internal audit function and an office of the chief audit executive who shall be responsible for ensuring that the internal audit function adheres to the audit standards. The chief audit executive is to maintain organizational independence in accordance with these audit standards and have direct and unrestricted access to the secretary.

<u>Present law</u> provides that the Louisiana Lottery Corporation shall adopt by administrative regulation a system of continuous internal audits. <u>Proposed law</u> retains <u>present law</u> and further provides that the corporation shall establish an internal audit function and an office of the chief audit executive who shall be responsible for ensuring that the internal audit function adheres to the audit standards. The chief audit executive is to maintain organizational independence in accordance with these audit standards and have direct and unrestricted access to the corporation.

<u>Present law</u> provides that the chief audit executive shall annually certify to the board or the secretary that the internal audit function conforms to the audit standards. <u>Proposed law</u> retains <u>present law</u> but further provides that the chief audit executive shall also certify that the audit standards have been met to the commissioner of administration, the Legislative Audit Advisory Council, and the Joint Legislative Committee on the Budget.

<u>Proposed law</u> further provides that if the chief audit executive identifies significant issues with governance, risk management, or control, those issues must be communicated to the secretary, corporation, or board, the commissioner of administration, the Legislative Audit Advisory Council, and the Joint Legislative Committee on the Budget.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 17:3023(B), 3138.6, and 3351(I), R.S. 30:2011(C)(1)(a)(i), R.S. 36:8.2(A) and 238(B)(1), and R.S. 47:9009(B)(3))