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ACT No. 314

HOUSE BILL NO. 286

BY REPRESENTATIVES PEARSON, STUART BISHOP, GEYMANN, HARRIS, HARRISON, HENSGENS, HAVARD, HUVAL, JAY MORRIS, RICHARD, SCHRODER, AND TALBOT

AN ACT

2	To enact R.S. 17:3023(B), 3138.5, and 3351(H), R.S. 24:553(D), and R.S. 36:8.2, relative
3	to internal auditing functions in state government; to require an internal auditing
4	function in the Board of Regents, the Louisiana Student Financial Assistance
5	Commission, postsecondary education management boards and certain state
6	departments; to provide for definitions; to provide for duties of the Legislative Audit
7	Advisory Council; and to provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 17:3023(B), 3138.5, and 3351(H) are hereby enacted to read as
10	follows:
11	§3023. Powers and duties
12	* * *
13	B. In addition to any other powers and duties authorized by this Section for
14	the Louisiana Student Financial Assistance Commission, the commission shall
15	establish an internal audit function and shall establish an office of the chief audit
16	executive who shall be responsible for ensuring that the internal audit function
17	adheres to the Institute of Internal Auditors, International Standards for the
18	
10	Professional Practice of Internal Auditing. The chief audit executive shall maintain
19	Professional Practice of Internal Auditing. The chief audit executive shall maintain organizational independence in accordance with these standards and shall have direct

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Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

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§3138.5. Internal auditing function of the Board of Regents

In addition to any other powers and duties authorized for the Board of Regents by this Chapter, the board 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 board. The chief audit executive shall annually certify to the board that the internal audit function conforms to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

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

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H. In addition to any other powers and duties authorized by this Section, any board with an appropriation in the general appropriation bill of thirty million dollars or more 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 management board. The chief audit executive shall annually certify to the management board that the internal audit function conforms to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

Section 2. R.S. 24:553(D) is hereby enacted to read as follows:

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1 §553. Duties

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D. If the legislative auditor finds that a state agency required by law to have an internal audit function does not have an effective internal audit function, including a finding that the agency is not adhering to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing, the council shall hold a hearing on such finding.

Section 3. R.S. 36:8.2 is hereby enacted to read as follows:

§8.2. Internal auditing function

A. The secretary of a department that includes an agency that has an appropriation in the general appropriation bill or the ancillary appropriation bill of thirty million dollars or more 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 secretary. The chief audit executive shall annually certify to the secretary that the internal audit function conforms to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

B. For the purpose of this Section, "secretary" means the chief administrative officer of each department in the executive branch of state government, except "secretary" means the following in the case of the listed departments:

- (1) For the Department of State Civil Service, the State Civil Service

 Commission through the director.
- (2) For the Department of Agriculture and Forestry, the commissioner of agriculture and forestry.
- (3) For the Department of Education, the state superintendent of education, except as otherwise provided in Title 17 of the Louisiana Revised Statutes of 1950 relative to the internal audit function for the Louisiana Student Financial Assistance

1 Commission, the Board of Regents, and the postsecondary education management 2 boards and institutions and agencies under the authority of those agencies. 3 (4) For the Department of Insurance, the commissioner of insurance. 4 (5) For the Department of Justice, the attorney general. (6) For the Department of Public Service, the Public Service Commission. 5 6 (7) For the Department of State, the secretary of state. 7 (8) For the Department of the Treasury, the state treasurer. 8 (9) For the Louisiana Workforce Commission, the executive director. 9 (10) For the office of the governor and all of the agencies transferred or 10 placed within the office of the governor, the commissioner of administration. SPEAKER OF THE HOUSE OF REPRESENTATIVES PRESIDENT OF THE SENATE GOVERNOR OF THE STATE OF LOUISIANA

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APPROVED: _____