

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE DRH70047-LB-150 (02/17)

Short Title: Update State Auditor's Duties. (Public)

Sponsors: Representative L. Brown.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO UPDATE THE STATE AUDITOR'S STATUTE IN ORDER TO STANDARDIZE AUDITEE RESPONSE TIMES, CLARIFY THE TIMING OF WHEN THE STATE AUDITOR CAN REFER INFORMATION TO APPROPRIATE AUTHORITIES, CLARIFY THE FACT THAT NO UPDATES ARE REQUIRED TO BE GIVEN ON FRAUD INVESTIGATIONS, UPDATE DESCRIPTION OF AUDITOR ACCESS PER CHANGES IN TECHNOLOGY, AND REMOVING THE STATE AUDITOR FROM AN EX OFFICIO DUTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 147-64.6(c)(13) reads as rewritten:

"(c) The Auditor shall be responsible for the following acts and activities:

...

(13) At the conclusion of an audit, the Auditor or ~~his~~ the Auditor's designated representative shall discuss the audit with the official whose office is subject to audit and submit necessary underlying facts developed for all findings and recommendations which may be included in the audit report. ~~On audits of economy and efficiency and program results, the auditee's written response shall be included in the final report if received within 30 days from receipt of the draft report.~~

...."

SECTION 2. G.S. 147-64.6(d) reads as rewritten:

"(d) Reports and Work Papers. – The Auditor shall maintain for 10 years a complete file of all audit reports and reports of other examinations, investigations, surveys, and reviews issued under the Auditor's authority. Audit work papers and other evidence and related supportive material directly pertaining to the work of the Auditor's office shall be retained according to an agreement between the Auditor and State Archives. To promote intergovernmental cooperation and avoid unnecessary duplication of audit effort, and notwithstanding the provisions of G.S. 126-24, pertinent work papers and other supportive material related to ~~issued audit reports and investigations pursuant to this section~~ may be, at the discretion of the Auditor and unless otherwise prohibited by law, made available for inspection by duly authorized representatives of the State and federal government who desire access to and inspection of such records in connection with some matter officially before them, including criminal investigations.

Except as provided in this section, or upon an order issued in Wake County Superior Court upon 10 days' notice and hearing finding that access is necessary to a proper administration of



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1 justice, audit work papers and related supportive material shall be kept confidential, including
2 any interpretations, advisory opinions, or other information or materials furnished to or by the
3 State Ethics Commission under this section."

4 **SECTION 3.** G.S. 147-64.6B(a) reads as rewritten:

5 "(a) The Auditor shall provide various means, including a telephone hotline, electronic
6 mail, and Internet access to receive reports of allegations of improper governmental activities.
7 The Auditor shall periodically publicize the hotline telephone number, electronic mail address,
8 Internet Web site address, and any other means by which the Auditor may receive reports of
9 allegations of improper governmental activities. Individuals who make a report under this
10 section may choose to remain anonymous until the individual affirmatively consents to having
11 his or her identity disclosed. Information concerning investigative decisions, actions, and
12 dispositions is considered confidential and may be disclosed only for the purpose of gathering
13 additional information for, or in furtherance of, an investigation pursuant to this section."

14 **SECTION 4.** G.S. 147-64.7(a) is amended by adding a new subdivision to read:

15 "(a) Access to Persons and Records. –

16 ...

17 (3a) Authority and access granted under this section shall include information
18 stored, modified, or transferred in an electronic format on any type data
19 storage or processing device. Ready access shall include the delivery of any
20 passwords, user identification, encryption keys and access control devices,
21 and any other tools necessary to obtain access to the data stored therein.
22 Ready access shall also include the authority to obtain a forensic image of
23 any data storage device either on-site or by removal of the device or devices
24 from the premises for imaging off-site.

25"

26 **SECTION 5.** G.S. 135-43.4(b) reads as rewritten:

27 "(b) The Committee on Actuarial Valuation of Retired Employees' Health Benefits shall
28 consist of ~~five~~ four members serving ex officio, as follows:

29 (1) The State Budget Officer, who shall serve as the Chair;

30 (2) ~~The State Auditor;~~

31 (3) The State Controller;

32 (4) The State Treasurer; and

33 (5) The Executive Administrator ~~for of the Teachers' and the State Employees'~~
34 Comprehensive Major Medical Plan State Health Plan for Teachers and
35 State Employees."

36 **SECTION 6.** This act is effective when it becomes law.