



HOUSE BILL 311: State Auditor/Various Amendments.

2017-2018 General Assembly

Committee: House Regulatory Reform	Date: April 11, 2017
Introduced by: Reps. Riddell, Cleveland, Adcock, Floyd	Prepared by: Jeremy Ray
Analysis of: First Edition	Committee Co-Counsel

OVERVIEW: *House Bill 311 is an agency recommendation from the Office of the State Auditor.*

CURRENT LAW AND BILL ANALYSIS: House Bill 311 is an agency bill requested by the Office of the State Auditor. The bill would do the following:

<u>Section</u>	<u>Explanation</u>
1	Clarifies that the State Auditor has a responsibility to audit occupational licensing boards in regards to their books, records, and operations. The Auditor is not responsible for <i>overseeing</i> occupational licensing boards.
2	Provides that the Auditor determines what rules are necessary for the agency to adopt in regards to its operation. The section also modernizes the language in the statute.
3	Requires the grantee or subgrantee of grant funds to post the State Auditor's hotline telephone number in a conspicuous place in the office of the grantee or subgrantee. The Auditor is required to provide a means to receive reports of allegations of improper governmental activities or misuse of governmental funds. Past audits and investigations of grant recipients revealed a pattern of grant recipients not spending the grant funds as intended. The posting of the telephone hotline number in the offices of the grant recipients may help deter some activity and give a means through which a person who witnesses an abuse may contact the Auditor. This section becomes effective July 1, 2017.
4	Clarifies that the production of documents or information by a person the Auditor is auditing does not constitute a waiver or an impairment of the attorney client privilege or the attorney work product privilege. G.S. 147-64.7 gives the Auditor access to documentation related to its audits.
5	Allows the Auditor to determine the length of time an auditee has to respond to a performance audit. Currently, the auditee has 30 days. This section would allow the Auditor to set the length of time between 15 and 30 days, commensurate with the number and complexity of the findings. The statutes do not set any minimum time periods for agencies to respond to other types of audits.

EFFECTIVE DATE: Section 3 would become effective July 1, 2017. The remainder of the bill would become effective when it becomes law.

Cindy Avrette, counsel to the House State and Local Government II committee, substantially contributed to this summary.

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