



# HOUSE BILL 233: State Auditor/Various Amendments.

2019-2020 General Assembly

**Committee:** House State and Local Government. If **Date:** March 27, 2019  
favorable, re-refer to Judiciary. If favorable,  
re-refer to Rules, Calendar, and Operations of  
the House

**Introduced by:** Reps. Riddell, Cleveland, Floyd, Barnes      **Prepared by:** Nicholas Giddings  
**Analysis of:** First Edition      Staff Attorney

**OVERVIEW:** House Bill 233 would amend various statutes related to the Office of the State Auditor, as requested by the Office of the State Auditor.

**CURRENT LAW AND BILL ANALYSIS:** House Bill 233 is an agency bill requested by the Office of the State Auditor and would do the following:

<u>Section</u>	<u>Explanation</u>
1	State law requires the Auditor to provide various means to receive reports of allegations of improper governmental activities or misuse of governmental funds, including a telephone hotline. Section 1 would require 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. This section would become effective July 1, 2019.
2	Would allow 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 an auditee has to respond between 15 and 30 days, commensurate with the number and complexity of the findings. The General Statutes do not set any minimum time for agencies to respond to other types of audits.
3	Would allow the State Auditor to share information obtained through an investigation or audit with other governmental agencies prior to the completion of an investigation or the issuance of an audit report. Under current law, the Auditor cannot share its confidential work papers and related supported materials until the audit report is issued.
4	G.S. 147-64.7 gives the Auditor access to documentation related to its audits. Section 4 would provide that the production of documents or information by an auditee does not constitute a waiver or an impairment of the attorney client privilege or the attorney work product privilege.
5	Would require the Auditor to make and enforce only those rules reasonably necessary for the operation of the Auditor's office. The section also makes technical changes within G.S. 147-64.9.

**EFFECTIVE DATE:** Section 1 would become effective July 1, 2019. The remainder of the bill would become effective when it becomes law.

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