



HOUSE BILL 233: State Auditor/Various Amendments.

2019-2020 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	April 29, 2019
Introduced by:	Reps. Riddell, Cleveland, Floyd, Barnes	Prepared by:	Wendy Ray
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 would do all of 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 non-State entity recipients 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 in order to have the response included in the final report. 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.
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.

EFFECTIVE DATE: Section 1, requiring posting of the Auditor's hotline number in the office of a non-State entity recipient of grant funds, would become effective July 1, 2019. The remainder of the act would be effective when it becomes law.

*Nicholas Giddings, Counsel to House State and Local Government, contributed substantially to this summary.

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