



HOUSE BILL 461: State Auditor Clarifying Amendments.

2021-2022 General Assembly

Committee:		Date:	February 25, 2022
Introduced by:		Prepared by:	Greg Roney Staff Attorney
Analysis of:	S.L. 2021-112		

OVERVIEW: *S.L. 2021-112 makes various clarifying and technical changes to the laws that relate to the North Carolina State Auditor, as follows:*

- *Clarify that the definition of State agency includes political subdivisions*
- *Clarify the State Auditor's authority to conduct audits and investigate allegations of improper governmental activity under the policy guidance of the State Auditor, and define the term "investigation" for the purposes of the State Auditor's office*
- *Enhance the State Auditor's authority to request information as part of a verification audit by treating organizations that fail to provide requested information as if the organization failed to meet the qualifying standard subject to the verification audit*

This act became effective August 23, 2021, except the enhanced authority for verification audits became effective October 1, 2021.

CURRENT LAW: Article 5A of Chapter 147 sets out the legislative policy, duties and responsibilities, and reporting requirements for the North Carolina State Auditor.

The stated intent of this Article is that all State agencies, and entities supported, partially or entirely, by public funds are subject to audit under the policy guidance of the Auditor. The Auditor conducts independent review of government organizations, programs, activities, and functions. This includes review for financial operation compliance, economy and efficiency, and program results. Current law also requires the Auditor to receive reports of allegations of improper governmental activity within the scope of the Auditor's office, investigate those reports, and make referrals to other appropriate State agencies based on the allegations.

BILL ANALYSIS: S.L. 2021-112 does the following:

- Clarifies that the definition of State agency includes political subdivisions for the purposes of the laws that relate to the State Auditor
- Clarifies the State Auditor's authority to conduct audits and investigate allegations of improper governmental activity under the policy guidance of the State Auditor and laws that relate to the Auditor
- Defines the term "investigation" for the purposes of the State Auditor's office as an independent review or examination of an allegation of an improper governmental activity regarding a State agency organization, program, activity, or function

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- Enhances the State Auditor's authority to request information as part of a verification audit by treating organizations that fail to provide requested information as if the organization failed to meet the qualifying standard subject to the verification audit

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