HOUSE BILL 461:
State Auditor Clarifying Amendments.

2021-2022 General Assembly

Committee:	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	June 24, 2021
Introduced by:	Reps. Howard, Szoka, Setzer, Bradford	**Prepared by:**	Amy Darden Committee Counsel
Analysis of:	First Edition		

OVERVIEW: House Bill 461 would make various clarifying and technical changes to the laws that relate to the North Carolina State Auditor, and would:

- ***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 further define the term "investigation" for the purposes of the State Auditor's office.***

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: The bill would:

- Clarify that the definition of State agency includes political subdivisions for the purposes of the laws that relate to the State Auditor under this article.
- 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 laws that relate to the Auditor.
- Define 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.
- Make various technical and conforming changes.

EFFECTIVE DATE: This act would become effective when it becomes law.

***Howard Marsilio, Staff Attorney, substantially contributed to this summary.*

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578

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