

CHAPTER 82

AN ACT concerning the duties of the State Auditor, and amending and supplementing chapter 24 of Title 52 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. R.S.52:24-4 is amended to read as follows:

Duties, responsibilities of State Auditor.

52:24-4. It shall be the duty of the State Auditor to conduct post-audits of all transactions and accounts kept by or for all departments, offices and agencies of the State Government, to report to the Legislature or to any committee thereof and to the Governor, and to the Executive Director of the Office of Legislative Services, as provided by this chapter and as shall be required by law, and to perform such other similar or related duties as shall, from time to time, be required of him by law.

The State Auditor shall personally or by any of his duly authorized assistants, or by contract with independent public accountant firms, examine and post-audit all the accounts, reports and statements and make independent verifications of all assets, liabilities, revenues and expenditures of the State, its departments, institutions, boards, commissions, officers, and any and all other State agencies, now in existence or hereafter created, hereinafter in this chapter called "accounting agencies."

The State Auditor shall conduct, at the direction of the Legislative Services Commission or of the presiding officer of either house of the Legislature or on the State Auditor's own initiative, a performance review audit of any program of any accounting agency, any independent authority, or any public entity or grantee that receives State funds, in a manner that is consistent with the Government Auditing Standards for performance audits utilized by the United States Government Accountability Office or its successor.

When the State Auditor conducts any audit or performance review audit, the accounting agency, or authority, entity or grantee, shall respond in writing to each item in the State Auditor's report and the State Auditor, at an appropriate time determined by him, shall conduct a post-audit review of the accounting agency's, or authority's, entity's, or grantee's, compliance with the State Auditor's recommendations.

The officers and employees of each accounting agency, or authority, entity, or grantee, shall assist the State Auditor, when and as required by him, and provide the State Auditor with prompt access to all records necessary for the State Auditor to perform his duties, notwithstanding any statutory or regulatory requirements of confidentiality with regard to the records, for the purpose of carrying out the provisions of this chapter. The State Auditor shall report the failure of any accounting agency, or authority, entity, or grantee, to provide prompt access to any relevant record to the presiding officer of each house of the Legislature. The State Auditor shall not disclose a confidential record provided by an accounting agency, or authority, entity, or grantee, except as may be necessary for the State Auditor to fulfill his constitutional or statutory responsibilities. Working papers prepared by the State Auditor shall be confidential and shall not be considered government records under P.L.1963, c.73 (C.47:1A-1 et seq.).

Notwithstanding any law to the contrary, post-audits and performance review audits shall be conducted within the limits of the resources and personnel available to the State Auditor. If resources and personnel are insufficient to conduct all such required post-audits and performance review audits, the State Auditor may prioritize certain audits and forgo others upon notice to the Governor and the presiding officer of each house of the Legislature.

2. R.S.52:24-6 is amended to read as follows:

Reports to Legislature and Governor.

52:24-6. The State Auditor shall report in writing to the Legislature or to any committee thereof, when so required, and to the Governor the findings of any special condition disclosed by his audit of the accounts of the State and of each accounting agency.

The State Auditor shall submit a written report that describes the findings of any performance review audit conducted by the State Auditor to the Governor and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

Such report shall be made by him to the Legislature and the Governor as promptly as possible after the conclusion of every audit and investigation made or caused to be made by him or upon the completion of any performance review audit conducted by the State Auditor.

3. R.S.52:24-7 is amended to read as follows:

Report malfeasance, etc., to Governor; Legislature, suspension of offender; hearing; removal.

52:24-7. The State Auditor shall report, forthwith, to the Governor and the presiding officer of each house of the Legislature any and all instances of malfeasance, misfeasance or nonfeasance which may be disclosed by any audit or investigation of said accounts or by any performance review audit.

Any State officer or employee charged with the custody of state funds whose accounts are found by the State Auditor to be inaccurate shall be automatically suspended from having any further connection with such funds until the audit is completed and the findings reported to the Governor and the presiding officer of each house of the Legislature.

Immediately upon receipt of such report from the State Auditor, the Governor shall fix a time and place for hearing such charges as the State Auditor may bring by giving not less than five days' notice thereof in writing to such officer or head of a department so charged and to the State Auditor.

After due hearing, he shall take such action as may be necessary, in his judgment, including the removal of any officer or head of a department found guilty of such charges or any of them, but if the right of removal in any case is vested exclusively in the Legislature, the Governor may suspend from further duty any such officer or head of a department so charged and shall transmit to the Legislature at the earliest possible date a written report of his findings with his recommendations thereon for consideration and action by the legislature.

4. R.S.52:24-8 is amended to read as follows:

Failure or refusal of officer, department head to keep accounts, etc.; procedure.

52:24-8. If the State Auditor shall find that any officer or head of a department of the State government willfully or negligently fails or refuses to keep or have kept such accounts, render such reports or perform such other duties as may be prescribed or directed by the State Comptroller, or fails or refuses to comply with the provisions of this article, he shall notify such officer or head of a department in writing of such failure and the particulars thereof, and the officer or head of a department shall promptly respond in writing to each specific failure. If such failure should not be explained to the satisfaction of the State Auditor, he shall notify the State Comptroller and the presiding officer of each house of the Legislature of such

failure and the State Comptroller shall take such action against such officer or head of a department as he may be authorized to do under any law or laws of this State.

C.52:24-4.4 Compliance of State entity with recommendation of State Auditor.

5. Prior to approving any request of a principal department or accounting agency in the Executive Branch of the State government, the Joint Budget Oversight Committee, or its successor, may require the department or agency to comply with any recommendation of the State Auditor made as the result of any audit or investigation or performance review audit of that department or agency.

6. This act shall take effect immediately.

Approved August 3, 2006.