

## CHAPTER 204

AN ACT requiring the State Comptroller to report the findings of audit compliance reviews and amending P.L.2007, c.52.

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

1. Section 11 of P.L.2007, c.52 (C.52:15C-11) is amended to read as follows:

C.52:15C-11 Reports from the State Comptroller relative to findings of audits and reviews.

11. a. The State Comptroller shall report the findings of audits and reviews performed by the office, and issue recommendations for corrective or remedial action, to the Governor, the President of the Senate and the Speaker of the General Assembly and to the unit in the Executive branch of State government, including any entity exercising executive branch authority, independent State authority, public institution of higher education, or unit of local government or board of education at issue. The unit in the Executive branch of State government, independent State authority, public institution of higher education, or unit of local government or board of education shall fully cooperate with the State Comptroller to develop recommendations for a corrective or remedial action plan. The State Comptroller shall monitor the implementation of those recommendations and shall conduct a subsequent review to determine whether there has been full implementation and continued compliance with those recommendations. The State Comptroller shall report the findings of the subsequent review to the Governor, the President of the Senate and the Speaker of the General Assembly within three years of the initial audit. Such report shall include the corrective or remedial action taken and the effect of the corrective or remedial action.

b. The State Comptroller shall report promptly to the Governor, the President of the Senate and the Speaker of the General Assembly if a unit in the Executive branch of State government, independent State authority, public institution of higher education, or unit of local government or board of education refuses to cooperate in development of a corrective or remediation plan or to comply with a plan.

c. The State Comptroller shall recommend that the Governor initiate disciplinary proceedings against any official or employee of a unit in the Executive branch of State government, including any entity exercising executive branch authority, or independent State authority who impedes an audit, or who fails or refuses to cooperate in the development of a corrective or remedial action plan or to comply with a plan. The Governor may cause an investigation to be made of the conduct of any such official or employee and may require such official to submit to the Governor a written statement or statements, under oath, of such information as the Governor may call for relating to the official's or the employee's conduct alleged by the State Comptroller. After notice, the service of charges and an opportunity to be heard at public hearing, the Governor may remove any such official or employee for cause. Such official or employee shall have the right of judicial review, on both the law and the facts, in such manner as may be provided by law.

d. If the State Comptroller is advised by the Commissioner of Education, the Director of the Division of Local Government Services in the Department of Community Affairs, staff of the Local Finance Board, or the State Auditor that a unit of local government or board of education or any official or employee thereof has impeded an audit, or has failed or refused to cooperate in the development of a corrective or remedial action plan or to comply with a plan recommended by such State official or employee thereof, the State Comptroller is authorized to recommend that the Governor (1) withhold the expenditure of State funds that may be due to be paid to that unit of local government or board of education, and (2) request

the Commissioner of Education, the Director of the Division of Local Government Services in the Department of Community Affairs, or staff of the Local Finance Board, as may be appropriate for that unit of local government or board of education, to impose a corrective or remedial action plan that may include the prior approval by the State Comptroller of that local unit's or board's contracts and expenditures.

e. The State Comptroller shall provide periodic reports to the Governor, and shall issue an annual report to the Governor and submit that report to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), which shall be available to the public. The reports shall include but shall not be limited to the reporting of any programmatic deficiencies and weaknesses that the State Comptroller's audits, investigations, and reviews have found, and detailing the efforts by, or the failure of, any unit in the Executive branch of State government, including any entity exercising executive branch authority, independent State authority or unit of local government or board of education to implement a recommended plan for corrective or remedial action.

2. This act shall take effect immediately.

Approved August 7, 2017.