

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred Senate
3 Bill No. 9 entitled “An act relating to the authority of the State Auditor to
4 examine the books and records of State contractors” respectfully reports that it
5 has considered the same and recommends that the bill be amended by striking
6 out all after the enacting clause and inserting in lieu thereof the following:

7 Sec. 1. 32 V.S.A. § 163 is amended to read:

8 § 163. DUTIES OF THE AUDITOR OF ACCOUNTS

9 In addition to any other duties prescribed by law, the Auditor of Accounts
10 shall:

11 (1) Annually perform or contract for:

12 (A) an audit of the basic financial statements of the State of Vermont;

13 (B) the financial and compliance audits of the State of Vermont’s
14 federal programs as required by federal law, except that this audit requirement
15 shall not apply to the University of Vermont or the Vermont State Colleges;
16 and

17 (C) at ~~his or her~~ the Auditor of Accounts’ discretion, governmental
18 audits as defined by governmental auditing standards issued by the U.S.
19 Government Accountability Office (GAO) of every department, institution,
20 and agency of the State, including contractors as it relates to the performance
21 of the contract with the State, trustees or custodians of retirement and other

1 trust funds held by the State or any officer or officers of the State, and ~~also~~
2 ~~including~~ every county officer who receives or disburses funds of the State or
3 for the benefit of the State or any county.

4 * * *

5 (13) Have discretion to examine the records, accounts, books, papers,
6 reports, and returns in all formats of any contractor that provides services to
7 the State, provided that the examination of records, accounts, books, papers,
8 reports, and returns shall be limited to those that are relevant to the
9 performance of the contract with the State. Any records, accounts, books,
10 papers, reports, and returns acquired by the Auditor pursuant to this
11 subdivision that are not otherwise available to the public are exempt from
12 public inspection and copying under the Public Records Act.

13 Sec. 2. 32 V.S.A. § 167 is amended to read:

14 § 167. RECORDS TO BE AVAILABLE FOR AUDIT

15 (a) For the purpose of examination and audit authorized by law, and except
16 as provided in subdivision 163(13) of this title, all the records, accounts,
17 books, papers, reports, and returns in all formats of all departments,
18 institutions, and agencies of the State, including the trustees or custodians of
19 trust funds and all municipal, school supervisory union, school district, and
20 county officers who receive or disburse funds for the benefit of the State, shall
21 be made available to the Auditor of Accounts. It shall be the duty of each

1 officer of each department, institution, and agency of the State or municipality,
2 school supervisory union, school district, or county to provide the records,
3 accounts, books, papers, reports, returns, and such other explanatory
4 information when required by the Auditor of Accounts.

5 * * *

6 Sec. 3. STATE CONTRACTING; SECRETARY OF ADMINISTRATION;
7 AUDIT AUTHORITY

8 On or before October 1, 2023, the Secretary of Administration shall include
9 in Administrative Bulletin 3.5 a requirement that State contracts include terms
10 and conditions authorizing the State Auditor of Accounts to have discretion to
11 examine the records, accounts, books, papers, reports, and returns in all
12 formats of any contractor that provides services to the State as it relates to the
13 performance of the contract in compliance with 32 V.S.A. § 163.

14 Sec. 4. 8 V.S.A. § 10204 is amended to read:

15 § 10204. EXCEPTIONS

16 This subchapter does not prohibit any of the activities listed in this section.
17 This section shall not be construed to require any financial institution to make
18 any disclosure not otherwise required by law. This section shall not be
19 construed to require or encourage any financial institution to alter any
20 procedures or practices not inconsistent with this subchapter. This section

1 shall not be construed to expand or create any authority in any person or entity
2 other than a financial institution.

3 * * *

4 (9) The examination of financial records by, or the disclosure of
5 financial records to, the Auditor of Accounts pursuant to the authority provided
6 in 32 V.S.A. § 163(13) or any officer, employee, or agent of a regulatory
7 agency for use only in the exercise of that person's duties as an officer,
8 employee, or agent.

9 * * *

10 Sec. 5. EFFECTIVE DATE

11 This act shall take effect on July 1, 2023.

12 (Committee vote: _____)

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19 _____
20 Senator _____

21 FOR THE COMMITTEE