

HOUSE No. 4720

The Commonwealth of Massachusetts

House of Representatives, November 7, 2016.

The committee on Ways and Means to whom was referred the Bill reconciling inconsistent statutory audit schedules (House, No. 4, changed), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4720).

For the committee,

BRIAN S. DEMPSEY

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act reconciling inconsistent statutory audit schedules.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 182C of chapter 6 of the General Laws, as appearing in the 2014
2 Official Edition, is hereby amended by striking out the second sentence and inserting in place
3 thereof the following sentence:- The state auditor shall conduct an audit of the commission's
4 books and accounts, in accordance with generally accepted government auditing standards, as
5 often as the auditor determines is necessary. Any audit conducted pursuant to this section shall
6 be available on the website of the state auditor and submitted to the department of conservation
7 and recreation, the department of revenue and the house and senate committees on ways and
8 means.

9 SECTION 2. The second paragraph of section 192 of said chapter 6, as so appearing, is
10 hereby amended by striking out the last sentence and inserting in place thereof the following
11 sentence:- The special trust account shall be subject to an audit by the state auditor conducted, in
12 accordance with generally accepted government auditing standards as often as the auditor
13 determines is necessary.

14 SECTION 3. The second paragraph of section 196 of said chapter 6, as so appearing, is
15 hereby amended by striking out the last sentence and inserting in place thereof the following
16 sentence:- Any fund established pursuant to this section shall be subject to an audit by the state
17 auditor, in accordance with generally accepted government auditing standards, as often as the
18 auditor determines is necessary.

19 SECTION 4. Section 197 of said chapter 6, as so appearing, is hereby amended by
20 striking out the last sentence and inserting in place thereof the following sentence:- Any fund
21 established pursuant to this section shall be subject to an audit, in accordance with generally
22 accepted government auditing standards, as often as the auditor determines is necessary.

23 SECTION 5. Section 17 of chapter 6D of the General Laws, as so appearing, is hereby
24 amended by striking out the last sentence and inserting in place thereof the following sentence:-
25 The commission shall be subject to an audit by the state auditor, in accordance with generally
26 accepted government auditing standards, once every 3 years or as often as the auditor determines
27 is necessary.

28 SECTION 6. Chapter 10 of the General Laws, as so appearing, is hereby amended by
29 striking out section 36 and inserting in place thereof the following section:- Section 36. The
30 state auditor shall conduct an audit of all accounts and transactions of the state lottery
31 commission in accordance with generally accepted government auditing standards, once every 3
32 years and as often as the auditor determines is necessary.

33 SECTION 7. Section 50 of said chapter 10, as so appearing, is hereby amended by
34 striking out the third paragraph and inserting in place thereof the following paragraph:- The
35 books and records of the Children's Trust Fund shall be subject to an audit by the state auditor,

36 in accordance with generally accepted government auditing standards, as often as the auditor
37 determines is necessary.

38 SECTION 8. Section 22 of chapter 15A of the General Laws, as so appearing, is hereby
39 amended by striking out, in line 25, the words “annual audit by the state auditor” and inserting in
40 place thereof the following words:- an audit by the state auditor, in accordance with generally
41 accepted government auditing standards, as often as the auditor determines is necessary

42 SECTION 9. Section 22A of said chapter 15A, as so appearing, is hereby amended by
43 striking, in line 47, the words “biennially by the state auditor” and inserting in place thereof the
44 following words:- by the state auditor, in accordance with generally accepted government
45 auditing standards, as often as the auditor determines is necessary.

46 SECTION 10. Section 20 of chapter 15C of the General Laws, as so appearing, is hereby
47 amended by striking out the last sentence and inserting in place thereof the following sentence:-
48 The Authority shall be subject to audit by the state auditor, in accordance with generally
49 accepted government auditing standards, once every 3 years and as often as the auditor
50 determines is necessary.

51 SECTION 11. Section 29 of chapter 20 of the General Laws, as so appearing, is hereby
52 amended by striking out the last sentence and inserting in place thereof the following sentence:-
53 The books and records of the Farm Preservation Linked Loan Fund shall be subject to an audit
54 by the state auditor, in accordance with generally accepted government auditing standards, as
55 often as the auditor determines is necessary.

56 SECTION 12. Subsection (f) of section 30 of said chapter 20, as so appearing, is hereby
57 amended by striking out the second sentence and replacing it with the following sentence:- The

58 books and records of the board shall be subject to an audit by the state auditor, in accordance
59 with generally accepted government auditing standards, as often as the auditor determines is
60 necessary.

61 SECTION 13. Section 31 of said chapter 20, as so appearing, is hereby amended by
62 striking out the last sentence and replacing it with the following sentence:- The books and
63 records of the Dairy Promotion Trust Fund shall be subject to an audit by the state auditor, in
64 accordance with generally accepted government auditing standards, as often as the auditor
65 determines is necessary.

66 SECTION 14. Subsection (b) of section 3J of chapter 23A of the General Laws, as so
67 appearing, is hereby amended by striking out the last sentence and inserting in place thereof the
68 following sentence:- The contracting organization shall submit its audited financial statements
69 annually to the state auditor, and shall be subject to an audit by the state auditor, in accordance
70 with generally accepted government auditing standards, as often as the auditor determines is
71 necessary.

72 SECTION 15. Chapter 23D of the General Laws, as so appearing, is hereby amended by
73 striking out section 32 and inserting in place thereof the following section:- Section 32. The
74 books and records of the industrial service program shall be subject to an audit by the state
75 auditor, in accordance with generally accepted government auditing standards, as often as the
76 auditor determines is necessary.

77 SECTION 16. Chapter 23G of the General Laws, as so appearing, is hereby amended by
78 striking out section 10 and inserting in place thereof the following section:- Section 10. The
79 books and records of the Agency shall be subject to an audit by the state auditor, in accordance

80 with generally accepted government auditing standards, as often as the auditor determines is
81 necessary.

82 SECTION 17. Chapter 23I of the General Laws, as so appearing, is hereby amended by
83 striking out section 16 and inserting in place thereof the following section:- Section 16. The
84 books and records of the center shall be subject to a an audit by the state auditor, in accordance
85 with generally accepted government auditing standards, as often as the auditor determines is
86 necessary.

87 SECTION 18. Subsection (f) of section 2 of chapter 23J of the General Laws, as so
88 appearing, is hereby amended by striking the last sentence and inserting in place thereof the
89 following sentence:- The books and records of the center shall be subject to an audit by the state
90 auditor, in accordance with generally accepted government auditing standards, as often as the
91 auditor determines is necessary.

92 SECTION 19. Said chapter 23J, as so appearing, is hereby amended by striking section
93 11 and inserting in place thereof the following section:- Section 11. The books and records of
94 the center and board relative to expenditures and investments of monies from the fund and the
95 trust fund shall be subject to an audit by the state auditor, in accordance with generally accepted
96 government auditing standards, as often as the auditor determines is necessary.

97 SECTION 20. Section 2III of chapter 29 of the General Laws, as so appearing, is hereby
98 amended by striking out the fourth sentence and inserting in place thereof the following
99 sentence:- The books and records of the fund shall be subject to an audit by the state auditor, in
100 accordance with generally accepted government auditing standards, as often as the auditor
101 determines is necessary.

102 SECTION 21. Section 4 of chapter 29A of the General Laws, as so appearing, is hereby
103 amended by striking the last sentence of the fourth paragraph and inserting in place thereof the
104 following sentence:- The court administrator shall monitor compliance with these accounting
105 and expenditure requirements, and the state auditor shall audit said court facilities rental accounts
106 and related accounts of such county, city, or town, in accordance with generally accepted
107 government auditing standards, as often as the auditor determines is necessary.

108 SECTION 22. Chapter 40G of the General Laws, as so appearing, is hereby amended by
109 striking section 7 and inserting in place thereof the following section:- Section 7. The books and
110 records of the MTDC shall be subject to an audit by the state auditor, in accordance with
111 generally accepted government auditing standards, once every 3 years and as often as the auditor
112 determines is necessary, and an annual audit by an independent auditor.

113 SECTION 23. Chapter 40H of the General Laws, as so appearing, is hereby amended by
114 striking section 7 and inserting in place thereof the following section:- Section 7. The books and
115 records of the CEDAC shall be subject to an audit by the state auditor, in accordance with
116 generally accepted government auditing standards, as often as the auditor determines is
117 necessary.

118 SECTION 24. Chapter 40J of the General Laws, as so appearing, is hereby amended by
119 striking out section 9 and inserting in place thereof the following section:-

120 Section 9. The books and records of the corporation shall be subject to an audit by the
121 state auditor, in accordance with generally accepted government auditing standards, as often as
122 the auditor determines is necessary.

123 SECTION 25. Section 12 of chapter 40J, as so appearing, is hereby amended by striking
124 out subsection (g) and inserting in place thereof the following subsection:-

125 (g) Audit. The books and records of the corporation shall be subject to an audit by the
126 state auditor, in accordance with generally accepted government auditing standards, as often as
127 the auditor determines is necessary.

128 SECTION 26. Section 1B of chapter 73 of the General Laws, as so appearing, is hereby
129 amended by striking the last sentence and inserting in place thereof the following sentence:-

130 The said fund or funds shall be subject to an audit by the state auditor, in accordance with
131 generally accepted government auditing standards, as often as the auditor determines is
132 necessary.

133 SECTION 27. Section 10 of said chapter 73, as so appearing, is hereby amended by
134 striking, in line 6, the words “biennially by the state auditor” and inserting in place thereof the
135 following words:- by the state auditor, in accordance with generally accepted government
136 auditing standards, as often as the auditor determines is necessary

137 SECTION 28. Section 42H of chapter 74 of the General Laws, as so appearing, is hereby
138 amended by striking, in line 5, the words “biennially by the state auditor” and inserting in place
139 thereof the following words:- by the state auditor, in accordance with generally accepted
140 government auditing standards, as often as the auditor determines is necessary.

141 SECTION 29. Section 46B of said chapter 74, as so appearing, is hereby amended by
142 striking, in lines 31-32, the words “biennial audit by the state auditor” and inserting in place

143 thereof the following words:- audit by the state auditor, in accordance with generally accepted
144 government auditing standards, as often as the auditor determines is necessary.

145 SECTION 30. Section 1A of chapter 75 of the General Laws, as so appearing, is hereby
146 amended by striking, in line 79, the words “annual audit by the state auditor” and inserting in
147 place thereof the following words:- audit by the state auditor, in accordance with generally
148 accepted government auditing standards, as often as the auditor determines is necessary.

149 SECTION 31. Section 6 of said chapter 75, as so appearing, is hereby amended by
150 striking, in line 4, the words “annually by the state auditor” and inserting in place thereof the
151 following words:- by the state auditor, in accordance with generally accepted government
152 auditing standards, as often as the auditor determines is necessary.

153 SECTION 32. Section 14C of said chapter 75, as so appearing, is hereby amended by
154 striking, in line 31, the words “annual audit by the state auditor” and inserting in place thereof
155 the following words:- audit by the state auditor, in accordance with generally accepted
156 government auditing standards, as often as the auditor determines is necessary.

157 SECTION 33. Section 43 of said chapter 75, as so appearing, is hereby amended by
158 striking, in lines 65 and 66, the words “no less than once every two years” and inserting in place
159 thereof the following words:- in accordance with generally accepted government auditing
160 standards as often as the auditor determines is necessary.

161 SECTION 34. Section 2 of chapter 128 of the General Laws, as so appearing, is hereby
162 amended by striking the last sentence of subsection (g) and inserting in place thereof the
163 following sentence:-

164 The state auditor shall audit the books of the Massachusetts Thoroughbred Breeders
165 Association, Inc., to insure compliance with this section, in accordance with generally accepted
166 government auditing standards, as often as the auditor determines is necessary.

167 SECTION 35. Said section 2 of said chapter 128, as so appearing, is hereby further
168 amended by striking the last sentence of subsection (j) and inserting in place thereof the
169 following sentence:-

170 The state auditor shall audit the books of the qualified organization, in accordance with
171 generally accepted government auditing standards, as often as the auditor determines is
172 necessary, to ensure compliance with this section.

173 SECTION 36. Section 38B of said chapter 128, as so appearing, is hereby amended by
174 striking section (c) and inserting in place thereof the following section:-

175 (c) The books and records of the Massachusetts State Exposition Building Maintenance
176 Fund shall be subject to an audit by the state auditor, in accordance with generally accepted
177 government auditing standards, as often as the auditor determines is necessary.

178 SECTION 37. Section 113 of said chapter 128, as so appearing, is hereby amended by
179 striking, in line 39, the words “a biennial audit by the auditor of the commonwealth” and
180 inserting in place thereof the following words:- an audit by the state auditor, in accordance with
181 generally accepted government auditing standards, as often as the auditor determines is
182 necessary

183 SECTION 38. Section 65 of chapter 152 of the General Laws, as so appearing, is hereby
184 amended by striking subsection (10) and inserting in place thereof the following section:- (10)

185 The books and records of the special fund and trust fund shall be subject to an audit by the state
186 auditor, in accordance with generally accepted government auditing standards, as often as the
187 auditor determines is necessary.

188 SECTION 39. Section 12 of chapter 161B of the General Laws, as so appearing, is
189 hereby amended by striking, in lines 1-2, the words “biennially make an audit of the accounts of
190 each authority” and inserting in place thereof the following words:- make an audit of the
191 accounts of each authority, in accordance with generally accepted government auditing
192 standards, once every 3 years and as often as the auditor determines is necessary,

193 SECTION 40. Section 2 of chapter 175G of the General Laws, as so appearing, is hereby
194 amended by striking, in lines 98-99, the words “annual audit by the auditor of the
195 commonwealth” and inserting in place thereof the following words:- audit by the state auditor,
196 in accordance with generally accepted government auditing standards, as often as the auditor
197 determines is necessary,

198 SECTION 41. Section 14 of chapter 176Q of the General Laws, as so appearing, is
199 hereby amended by striking the last sentence and replacing it with the following sentence:- The
200 connector shall be subject to audit by the state auditor, in accordance with generally accepted
201 government auditing standards, once every three years and as often as the auditor determines is
202 necessary.

203 SECTION 42. Chapter 221A of the General Laws, as so appearing, is hereby amended
204 by striking section 11 and inserting in place thereof the following section:- Section 11. The
205 books and records of the corporation shall be subject to an audit by the state auditor, in

206 accordance with generally accepted government auditing standards, once every three years and
207 as often as the auditor determines is necessary.

208 SECTION 43. Section 21 of chapter 465 of the acts of 1956, as amended by section 1 of
209 chapter 384 of the acts of 1961, is hereby further amended by striking, in the fourth sentence, the
210 words “at least once in each fiscal year” and inserting in place thereof the following words:- , in
211 accordance with generally accepted government auditing standards, once every 3 years and as
212 often as the auditor determines is necessary

213 SECTION 44. Section 13 of chapter 701 of the acts of 1960, as amended by chapter 575
214 of the acts of 1967, is hereby further amended by striking the third sentence and inserting in
215 place thereof the following sentence:- The state auditor shall cause an audit of the books of the
216 Authority, in accordance with generally accepted government auditing standards, once every 3
217 years and as often as the auditor determines is necessary.

218 SECTION 45. Section 15 of chapter 708 of the acts of 1966, is hereby amended by
219 striking the words “annual audit by the auditor of the commonwealth” and inserting in place
220 thereof the following words:- audit by the state auditor, in accordance with generally accepted
221 government auditing standards, once every 3 years and as often as the auditor determines is
222 necessary

223 SECTION 46. Section 16 of chapter 846 of the acts of 1974, is hereby amended by
224 striking the words “annual audit by the auditor of the commonwealth” and inserting in place
225 thereof the following words:- audit by the state auditor, in accordance with generally accepted
226 government auditing standards, as often as the auditor determines is necessary

227 SECTION 47. Section 41 of chapter 190 of the acts of 1982 is hereby amended by
228 striking the words “annual audit by the auditor of the commonwealth” and inserting in place
229 thereof the following words:- audit by the state auditor, in accordance with generally accepted
230 government auditing standards, once every 3 years and as often as the auditor determines is
231 necessary

232 SECTION 48. Section 7 of chapter 560 of the acts of 1982 is hereby amended by striking
233 the words “annual audit by the auditor of the commonwealth” and inserting in place thereof the
234 following words:- audit by the state auditor, in accordance with generally accepted government
235 auditing standards, as often as the auditor determines is necessary

236 SECTION 49. Section 1 of chapter 240 of the acts of 1984 is hereby amended by striking,
237 in the last sentence of subsection (o), the words “annual audit by the state auditor” and inserting
238 in place thereof the following:- audit by the state auditor, in accordance with generally accepted
239 government auditing standards, as often as the auditor determines is necessary,

240 SECTION 50. Chapter 763 of the acts of 1985 is hereby amended by striking the words
241 “annual audit by the state auditor” and inserting in place thereof the following words:- audit by
242 the state auditor, in accordance with generally accepted government auditing standards, as often
243 as the auditor determines is necessary

244 SECTION 51. Section 21 of chapter 78 of the acts of 1988 is hereby repealed.

245 SECTION 52. Section 22 of chapter 78 of the acts of 1988 is hereby repealed.

246 SECTION 53. Section 23 of chapter 78 of the acts of 1988 is hereby repealed.

247 SECTION 54. Section 24 of chapter 78 of the acts of 1988 is hereby repealed.

SECTION 55. Section 10 of chapter 506 of the acts of 1990 is hereby repealed.