

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB674

Hearing Date: Wednesday March 11, 2009
Committee On: Government, Military and Veterans Affairs
Introducer: Nantkes
One Liner: Authorize establishment of an internal auditing system by the University of Nebraska

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

| | | |
|----------------------------|---|--|
| Aye: | 5 | Senators Avery, Giese, Karpisek, Pahls, Sullivan |
| Nay: | 2 | Senators Janssen, Pirsch |
| Absent: | | |
| Present Not Voting: | 1 | Senator Price |

Proponents:

Senator Danielle Nantkes
Ron Withem
Michael Justus

Representing:

Introducer
University of Nebraska
University of Nebraska

Opponents:

Jack Gould
Gerald Harbison
Mike Foley

Representing:

Common Cause Nebraska
UNL Faculty Senate
Nebraska State Auditor

Neutral:

Representing:

Summary of purpose and/or changes:

LB 674 applies in the event the Board of Regents of the University of Nebraska establishes an internal auditing system consisting of an audit committee, an auditor, and other personnel.

The final audit reports issued will be maintained permanently as a public record and a copy of the audit reports will be provided to the Auditor of Public Accounts.

The audit committee or auditor will have access to all records of any University of Nebraska-related unit, unless access to the records is prohibited by federal or state law.

When an audit or investigative finding emanates from nonpublic information pursuant to federal or state law, such nonpublic information is not a public record.

Working papers and other audit files maintained by the audit committee or auditor are not public records. The information contained in the working papers and audit files are not a public record except to a county attorney or Attorney General in connection to an investigation, to the Legislative Performance Audit Committee in the course of their official duties, or to federal agencies that have made grants to the University of Nebraska. The audit committee may make the working papers available for purposes of an external quality control review. However, any reports made from such external quality control review are not a public record.

If any member of the audit committee or the auditor knowingly divulges confidential information, the person will be subject to removal or impeachment in addition to being guilty of a Class III misdemeanor.

The bill defines audit committee, auditor, and working papers.

Explanation of amendments:

The committee amendment makes several changes to the original bill.

The first change clarifies that when an audit or investigative finding emanates from public records, such public records will remain public.

Also, the Auditor of Public Accounts in the course of his or her official duties will have access to working papers and other audit files maintained by the audit committee or auditor.

Finally, the State Government Effectiveness Act is amended to add the University of Nebraska internal auditor to the definition of "official." The effect of this change is to allow state employees to report wrongdoing to the internal auditor and receive the protections afforded under the State Government Effectiveness Act.

Bill Avery, Chairperson