

On page 1, line 1, of the Senate State Affairs Engrossed bill, delete " authority" and insert " duties and administration"

On page 1, line 1, of the Senate State Affairs Engrossed bill, after "the" insert " State"

On page 1, line 1, of the Senate State Affairs Engrossed bill, delete " Controls" and insert " Control"

On page 1, line 8, of the Senate State Affairs Engrossed bill, after "control," delete " a process that integrates the plans, activities, policies, attitudes, procedures, systems, resources, and efforts of"

On page 1, line 9, of the Senate State Affairs Engrossed bill, delete " a state agency and that is" and insert " procedures within a state agency"

On page 1, line 11, of the Senate State Affairs Engrossed bill, delete " and missions and to detect and prevent" and insert " while identifying and preventing"

On page 1, line 13, of the Senate State Affairs Engrossed bill, after "malfeasance;

(4)" delete ""Internal control officer," the individual designated by each state agency to oversee the implementation, monitoring, and reporting of internal control systems in accordance with the board's guidelines and standards;"

On page 1, line 16, of the Senate State Affairs Engrossed bill, after "standards;" delete "(5) "

On page 1, line 18, of the Senate State Affairs Engrossed bill, remove the overstrikes from "(5)"

On page 1, line 18, of the Senate State Affairs Engrossed bill, after "state;

(5)" delete "(6)"

On page 1, line 22, of the Senate State Affairs Engrossed bill, remove the overstrikes from "(6)"

On page 1, line 22, of the Senate State Affairs Engrossed bill, after "Governor;

(6)" delete "(7)"

On page 2, line 1, of the Senate State Affairs Engrossed bill, delete " Four" and insert " Three"

On page 2, line 5, of the Senate State Affairs Engrossed bill, after "the" delete " who serves as the chair"

On page 2, line 7, of the Senate State Affairs Engrossed bill, delete "; and" and insert " who serves as the chair;"

On page 2, line 8, of the Senate State Affairs Engrossed bill, delete " An individual appointed by the" and insert " The"

On page 2, line 10, of the Senate State Affairs Engrossed bill, after "Court" insert " and;

(5) The state treasurer"

On page 2, line 15, of the Senate State Affairs Engrossed bill, after "board." delete "Section 3. That § 1-56-3 be AMENDED:"

On page 2, line 16, of the Senate State Affairs Engrossed bill, after "AMENDED:" delete "1-56-3. "

On page 2, line 16, of the Senate State Affairs Engrossed bill, after "1-56-3. " delete "The board may promulgate rules, pursuant to chapter 1-26, to implement, manage, and provide oversight of a system of internal control in accordance with internal control standards."

On page 2, after line 18, of the Senate State Affairs Engrossed bill, insert: "

Section 3. That § 1-56-4 be AMENDED:

1-56-4. The board shall ~~meet monthly for the first twelve months, and shall~~ meet at least quarterly ~~after the first~~ every year. A record of the proceedings of the board ~~shall~~ must be kept pursuant to § 1-25-3."

On page 2, after line 18, of the Senate State Affairs Engrossed bill, insert: "

Section 4. That § 1-56-5 be AMENDED:

1-56-5. The ~~Bureau of Finance and Management~~ state auditor shall provide administrative support to the board. ~~If necessary, the board shall seek the advice of the auditor general."~~

On page 2, line 20, of the Senate State Affairs Engrossed bill, remove the overstrikes from " establish and maintain"

On page 2, line 20, of the Senate State Affairs Engrossed bill, after "maintain" insert ", for use by each state agency"

On page 2, line 21, of the Senate State Affairs Engrossed bill, remove the overstrikes from "Guidelines"

On page 2, line 21, of the Senate State Affairs Engrossed bill, after "maintain:

(1) Guidelines" delete "Establish and maintain guidelines"

On page 2, line 22, of the Senate State Affairs Engrossed bill, after "implemented" insert " and complied with"

On page 2, line 22, of the Senate State Affairs Engrossed bill, delete " that is" and insert a comma

On page 2, line 23, of the Senate State Affairs Engrossed bill, after "standards" insert ", which the board shall make available to each internal control officer, as described in § 1-56-8"

On page 2, line 24, of the Senate State Affairs Engrossed bill, after "standards;

(2)" insert "Procedures for conducting a state agency risk review, as required by section 4 of this Act; (3) "

On page 2, line 24, of the Senate State Affairs Engrossed bill, remove the overstrikes from a latin capital letter a

On page 2, line 24, of the Senate State Affairs Engrossed bill, after "standards;

(2) A" delete "Establish and maintain a"

On page 2, line 25, of the Senate State Affairs Engrossed bill, after "and;" insert " and"

On page 2, line 26, of the Senate State Affairs Engrossed bill, delete "(3)" and insert "(4)"

On page 2, line 26, of the Senate State Affairs Engrossed bill, remove the overstrikes from "A conflict of interest"

On page 2, line 26, of the Senate State Affairs Engrossed bill, after "interest" delete "Establish and maintain a conflict-of-interest"

On page 2, line 27, of the Senate State Affairs Engrossed bill, after "System" delete the semicolon

On page 2, line 28, of the Senate State Affairs Engrossed bill, after "System;" delete "(4) Evaluate and test the effectiveness of internal controls in state agencies;

(5) Access all relevant records, data, and documents from state agencies to carry out the board's responsibilities; and

(6) Review and assess whether internal controls are working as intended and make recommendations for improvements"

On page 3, after line 3, of the Senate State Affairs Engrossed bill, insert: "

Section 6. That a NEW SECTION be added to chapter 1-56:

The state auditor shall employ an internal control auditor who shall:

- (1) Make available to each state agency the guidelines, policies, and code of conduct developed by the board under § 1-56-6; and
- (2) Periodically inspect and review the implementation by each state agency of the guidelines, policies, and code of conduct developed under § 1-56-6.

The internal control auditor shall work with each state agency internal control officer, as designated under § 1-56-8, to ensure that the state agency implements the guidelines, policies, and code of conduct developed under § 1-56-6. Each state agency shall provide the internal control auditor with access to any state agency personnel or facility and any data, document, information, policy, or record needed to ensure adequate procedures are being implemented to comply with the guidelines, policies, and code of conduct developed under § 1-56-6. If a state agency fails to comply with the access requirements provided under this section, the state auditor may initiate action in accordance with chapter 21-34.

The state auditor may employ and compensate necessary personnel to assist the internal control auditor in performing the duties of this section."

On page 3, line 5, of the Senate State Affairs Engrossed bill, delete ". The internal control officer shall ensure the agency complies with the provisions of this chapter. Two or more agencies may agree to designate a single individual as the internal control officer for the agencies participating in the agreement. The board shall make available to each internal control officer guidelines and standards that the state agency shall implement and comply. The board may take other actions as necessary to carry out the purpose and intent of this chapter" and insert " who is responsible for ensuring compliance with this chapter. Two or more state agencies may enter into an agreement pursuant to chapter 1-24 to designate a single individual to serve as the internal control officer for the agreeing

agencies. Each internal control officer shall cooperate with the internal control auditor to implement the requirements of this chapter"

On page 3, line 13, of the Senate State Affairs Engrossed bill, after "1-56:" delete "Each state agency shall conduct"

On page 3, line 13, of the Senate State Affairs Engrossed bill, after "conduct " delete "an annual review of the agency's documented risk and control matrix to assess the adequacy and effectiveness of the agency's internal controls and risk mitigation strategies."

On page 3, line 16, of the Senate State Affairs Engrossed bill, delete "Following the review, each state agency shall submit the results to the Board of Internal Control, including any updates to the agency's risk and control matrix." and insert "

Each state agency shall conduct a risk review annually and submit results to the board, at the time and in the manner designated by the board.

For purposes of this section, a "risk review" is an examination of a state agency's risk management processes and summarization of its current risks."

On page 3, after line 17, of the Senate State Affairs Engrossed bill, insert: "

Section 9. That § 1-56-3 be REPEALED.

~~The board may promulgate rules, pursuant to chapter 1-26, to implement a system of internal control in accordance with internal control standards."~~