

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**SESSION LAW 2005-65  
HOUSE BILL 231**

AN ACT TO REVISE THE POWERS AND DUTIES OF THE STATE CONTROLLER TO CLARIFY THAT THE CONTROLLER MAY CONDUCT COMPLIANCE REVIEWS OF STATE AGENCIES AND TO EXEMPT THE WORKING PAPERS FROM THOSE REVIEWS FROM THE PUBLIC RECORDS LAWS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 143B-426.39(1) reads as rewritten:

**"§ 143B-426.39. Powers and duties of the State Controller.**

The State Controller shall:

- (1) Prescribe, develop, operate, and maintain in accordance with generally accepted principles of governmental accounting, a uniform state accounting system for all state agencies. The system shall be designed to assure compliance with all legal and constitutional requirements including those associated with the receipt and expenditure of, and the accountability for public funds. The State Controller may elect to review a State agency's compliance with prescribed uniform State accounting system standards, as well as applicable legal and constitutional requirements related to compliance with such standards."

**SECTION 2.** Part 28 of Article 9 of Chapter 143B of the General Statutes is amended by adding a new section to read:

**"§ 143B-426.39B. Compliance review work papers not public records.**

Work papers and other supportive material created as a result of a compliance review conducted under G.S. 143B-426.39(1) are not public records under Chapter 132 of the General Statutes. The State Controller shall make all work papers and other supportive materials available to the State Auditor. The State Controller may, unless otherwise prohibited by law, make work papers available for inspection by duly authorized representatives of the State and federal governments in connection with matters officially before them. Any report resulting from a compliance review is a public record under Chapter 132 of the General Statutes."

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of May, 2005.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 1:35 p.m. this 26<sup>th</sup> day of May, 2005