

2015-2016

## RULES OF THE JOINT LEGISLATIVE AUDIT COMMITTEE

Except as otherwise provided in the Joint Rules of the Senate and Assembly applicable to the 2015-2016 Regular Session, these committee rules will govern the Joint Legislative Audit Committee during the 2015-2016 Legislative Session:

### ESTABLISHMENT

1. The Joint Legislative Audit Committee is created pursuant to the Legislature's rulemaking authority under the California Constitution, Government Code section 10501, and Rule 37.3 of the Joint Rules of the Senate and Assembly.
2. The Committee is of a continuing existence and may meet, act, and conduct its business at any place within the state, during the sessions of the Legislature or any recess thereof, and in the interim period between sessions.
3. The Committee is charged with establishing priorities and assigning audits for the State Auditor, ascertaining facts through investigations, reviewing reports and taking actions thereon, and making reports and recommendations to the Legislature regarding the revenues and expenditures of the State, its departments, subdivisions, and agencies.
4. The provisions of Rule 36 of the Joint Rules of the Senate and Assembly relating to investigating committees apply to the Committee, as well as other duties and responsibilities prescribed in the Joint Rules of the Senate and Assembly, and all powers conferred upon committees by Article IV, Section 11 of the Constitution of the State of California.

### MEMBERSHIP

5. The Committee shall consist of seven members of the Senate and seven members of the Assembly selected in the manner provided for in the Joint Rules of the Senate and Assembly.
6. Vacancies occurring between general sessions of the Legislature shall be filled in a manner provided for in the Joint Rules of the Senate and Assembly.

## OFFICERS

7. The Officers of the Committee shall be a Chair and a Vice Chair.
8. The Chair of the Committee shall be elected by a vote of the Committee.
9. The Chair shall preside at meetings when present except when the committee is considering a request of which he or she is the requestor or the lead requestor. Whenever the Chair is not presiding, the Vice Chair shall assume the duties of the Chair. In the absence of both, a member designated by the Chair shall preside, subject to approval of the Assembly Speaker and Senate Rules Committee.

## AUDIT REQUESTS

10. Any member of the Legislature may submit requests for audits to the Committee for consideration. To be considered at a hearing that has been noticed, requests for audits must be received by the Committee by the deadline date specified in the notice.
11. Upon receipt of an audit request from a member of the Legislature, the Chair shall review the request and shall acknowledge receipt of the request. The Chair may make recommendations to the requestor regarding modification of the request to ensure that the request is appropriate for the purview of the Committee and State Auditor.
12. Unless the requesting member withdraws the audit request, the Chair shall submit the request, including any modifications agreed to by the member, to the State Auditor for the purpose of determining the feasibility, scope, and cost of performing the proposed audit.
13. The State Auditor shall prepare an analysis of the audit request, including the feasibility, scope, and cost of the audit and transmit the analysis to the Chair. The Chair shall distribute the analysis to the committee members. Neither the Chair nor any member of the committee shall disclose an analysis to the public until such time as the Committee has reviewed the request and the State Auditor's analysis is noticed and discussed in an open meeting of the Committee.
14. At the time of hearing, an audit request may only be amended if the amendment does not substantially affect the feasibility, scope or cost of the proposed audit. Should a requestor wish to substantially amend a request, the requestor or Chair may ask the Committee to hold the request until the next committee hearing.

15. No action shall be taken on an audit request until such time as the Committee has reviewed the request and the State Auditor's analysis in an open meeting of the Committee.
16. The Committee shall not disclose the existence or content of an audit request to the public unless the request is included in the notice of a meeting to consider the State Auditor's analysis of the request or unless the Chair directs that the audit request may be made public.

### AUDITS REQUESTS RECEIVED DURING INTERIM OR RECESS

17. Notwithstanding Rule 15, an audit request of an urgent nature received during interim or recess may be approved with the concurrence of the Chair and Vice Chair, provided that the audit's cost shall not exceed \$75,000 and that the audit shall not commence until five working days after the Committee members have been notified in writing of the audit's approval.
  - (a) Audit requests in excess of \$75,000 received during interim require approval through an open meeting of the Committee as described in Rule 15.
  - (b) If any Committee member objects to an audit request approved pursuant to this provision within the five working days, the audit shall be placed on hold until the next regular open meeting of the Committee.

### MEETINGS

18. The Committee shall meet upon call of the Chair.
19. Notice of hearings and the subject matter being heard shall be given in the Daily File.
20. The Chair shall set the hearings of audit requests and arrange the calendar for Committee hearings. Notice of hearing of audit requests shall be given to the requestor and such other appropriate persons requiring notice. Audit requests will not be considered in the absence of the requestor without his or her consent; however, audit requests may be presented by the requestor's representative authorized in writing.

21. The Chair shall direct the order of presentation of the arguments for and against matters for consideration by the Committee, and shall permit questions to be asked by the various members of the Committee in an orderly fashion and in keeping with proper decorum.
22. Committees or subcommittees, by a majority vote of such committee, may meet in executive session only as provided in Section 9029 of the Government Code and Article IV, Section 7(c) of the Constitution of the State of California. Otherwise, all meetings shall be open and public.
23. The Committee Secretary shall keep a record of the hearings and actions taken by the Committee. Any audit request approved by the Committee shall be forwarded to the State Auditor as a Committee request.

## QUORUM AND VOTING

24. Four members from each house constitute a quorum and the number of votes necessary to take action on any matter.

## COMMITTEE ACTIONS

25. The Committee shall consider each request as analyzed by the State Auditor and either:
  - (a) Approve the request;
  - (b) Deny the request;
  - (c) Retain the request for future consideration; or,
  - (d) Refer the request to another agency, if another agency is the more appropriate venue.
26. For all approved audits, the Committee shall set priorities for the State Auditor considering the extent that resources are available. To assist the Committee in ranking and prioritizing audits, the State Auditor shall each month provide the Chair with a schedule of available resources for audits throughout the fiscal year.

27. The State Auditor shall conduct all approved audits pursuant to Government Code section 8546.1 to the extent that funding is available and as prioritized by the Committee. The State Auditor shall release the completed audit report to the Governor, Legislature, members of the Joint Legislative Audit Committee, and the requestor.
28. Any Committee member may request a public hearing to discuss the State Auditor's completed report. The Chair may summon the official whose office is the subject of the audit, the requestor, the State Auditor, or any other person to appear at the hearing and provide testimony.
29. An audit request retained by the Committee and not acted upon before the end of the regular two-year session of the Legislature shall automatically be deemed denied. The Chair shall contact each requestor who remains a member of the Legislature and whose audit has been thus denied and notify him or her that the audit request can be resubmitted to the Committee during the next regular session.
30. Further consideration of an audit request that has been approved of or defeated by the committee at the same hearing shall be by reconsideration only as follows:
  - (a) A motion to reconsider a vote by which an audit request is approved shall be in order and shall be voted upon at the same meeting. If such a motion is carried by a vote of four members from each house, the audit request may be considered at that meeting, provided the requestor is present.
  - (b) A motion to reconsider a vote by which an audit request that has been defeated shall be in order and shall be voted upon at the same meeting. If such a motion is carried by a vote of four members from each house, the audit request for which reconsideration has been granted pursuant to this paragraph, shall not be heard again until a subsequent meeting of the Committee.
31. In addition to Committee hearings pursuant to Rule 28, the Chair may also schedule hearings to review an auditee's response to issues raised in an earlier audit.

## SUBCOMMITTEES

32. The Chair, with the concurrence of the Senate Rules Committee and the Speaker of the Assembly, may appoint from the members of the Committee, subcommittees of one or more members to consider and recommend to the full Committee action on

any study, inquiry investigation, or hearing which the Committee itself has authority to undertake or hold. The Chair may assign and reassign members of, and subject matters to, the various subcommittees. The recommendation of a subcommittee may be accepted by the affirmative vote of at least four members from each house.

## LEGISLATION

33. The Committee shall monitor legislation affecting the funding or workload of the State Auditor or Joint Legislative Audit Committee and testify as needed. The Chair or his or her representative may also participate in fiscal and policy hearings regarding the State Auditor's funding and operations.
34. Pursuant to Joint Rules 37.4 and 37.5, the Committee shall review all bills or resolutions assigning a study to the Committee or State Auditor and request an appropriation to fund the audit, waive this requirement as appropriate, and/or bring the issue to the attention of the standing committee with jurisdiction over the legislation.

## SUSPENSION OF RULES

35. Except as otherwise provided in the rules, any provision of these committee rules may be suspended by a minimum of four Assembly members and four Senate members.

## OTHER RULES

36. In all cases not provided for by this rule, the Joint Rules, or by statute, the authority shall be the latest edition of Mason's Manual.

As adopted by the Joint Legislative Audit Committee on February 11, 2015.