

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.B. 404
Mar 31, 2015
HOUSE PRINCIPAL CLERK

H

D

HOUSE DRH40217-MQ-74 (03/17)

Short Title: Treasurer Modernization Act. (Public)

Sponsors: Representative Ross.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ENHANCE THE ACCOUNTABILITY OF THE STATE RETIREMENT
3 SYSTEM'S INVESTMENT PROGRAMS BY PROVIDING FOR AUDITED
4 FINANCIAL STATEMENTS AND OTHER MEASURES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 6 of Chapter 147 of the General Statutes is amended by
7 adding a new section to read:

8 "**§ 147-69.9. Third-party audit of Retirement Systems' investment programs.**

9 (a) In addition to all other audits and reports required by law, the State Treasurer shall
10 prepare and issue as of the end of each fiscal year, a set of financial statements regarding the
11 investment programs for the Retirement Systems enumerated in G.S. 147-69.2(b)(8). The
12 financial statements prepared by the State Treasurer shall be audited by a commercial,
13 independent third-party audit firm selected and engaged by the State Auditor based upon
14 selection criteria developed by the State Auditor in consultation with the State Treasurer. The
15 audit firm's report and the financial statements prepared by the State Treasurer shall be
16 provided to the General Assembly no later than six months after the close of the reporting
17 period.

18 (b) Supplementary information accompanying the financial statements required by
19 subsection (a) of this section shall include a discussion of the Retirement Systems' risk and
20 returns compared to benchmarks, total management fees and incentives paid, and comparisons
21 to peer cost benchmarks.

22 (c) All associated costs of the audit required by this section shall be subject to the
23 provisions of G.S. 147-69.3(f) and shall not require additional appropriations to the State
24 Auditor or the State Treasurer in the Current Operations Appropriations Act."

25 SECTION 2. This act is effective when it becomes law.

