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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES - RETIREMENT SYSTEM -
ADMINISTRATION

Introduced By: Representatives Lima, O'Brien, Casey, Morin, and Messier

Date Introduced: February 10, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 36-8-19 of the General Laws in Chapter 36-8 entitled "Retirement
2 System - Administration" is hereby amended to read as follows:

3 **36-8-19. Annual audits.** – (a) The auditor general shall conduct upon the request of the
4 retirement board a separate annual performance audit of the retirement system which shall
5 include a report on the actuarial valuation of the assets and liabilities of the retirement system.
6 The auditor general may examine all records, files, and other documents, and evaluate all policies
7 and procedures for purposes of conducting the audit. The aforementioned performance audit shall
8 be in addition to the annual audit conducted by the auditor general of the financial statements of
9 the retirement system. A copy of the report shall be given to the governor, the state retirement
10 board, and the joint committee on legislative services.

11 (b) The auditor general shall perform a ten (10) year forensic performance audit of the
12 retirement system fund for the years 2006 through 2015. The audit shall determine whether the
13 retirement fund can be managed with greater efficiency and economy, based upon their ten (10)
14 year analysis. It shall address the investment fund's return rate, the investment funds, expenses
15 and fees, and the degree to which those expenses and fees have been fully disclosed to the public.
16 Based upon the results of the audit, the auditor general shall make specific recommendations
17 concerning performance, transparency, and the relationship between the fees paid and the
18 investment results received.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES - RETIREMENT SYSTEM -
ADMINISTRATION

1 This act would require the auditor general to perform a ten (10) year forensic audit of the
2 state's retirement system concerning the rate of return, expenses paid, the relationship between the
3 return and expenses and the transparency of the fee agreements.

4 This act would take effect upon passage.

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