

4501

2011-2012 Regular Sessions

I N A S S E M B L Y

February 3, 2011

Introduced by M. of A. SPANO, JAFFEE, MOLINARO, PHEFFER, COLTON, GUNTHER, STEVENSON, GIBSON -- Multi-Sponsored by -- M. of A. ABBATE, CAHILL, CORWIN, FITZPATRICK, GABRYSZAK, P. LOPEZ, McDONOUGH, McKEVITT, RABBITT, RAIA, SAYWARD, SWEENEY, THIELE, TOBACCO -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to directing the metropolitan transportation authority to contract for the provision of an independent forensic audit of such authority; and providing for the repeal of such provisions upon the expiration thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. The public authorities law is amended by adding a new
2 section 1265-c to read as follows:
3 S 1265-C. INDEPENDENT FORENSIC AUDIT. 1. THE AUTHORITY SHALL, WITHIN
4 SIXTY DAYS OF THE EFFECTIVE DATE OF THIS SECTION, CONTRACT WITH A CERTI-
5 FIED PUBLIC ACCOUNTING FIRM FOR THE PROVISION OF AN INDEPENDENT, COMPRE-
6 HENSIVE, FORENSIC AUDIT OF THE AUTHORITY. SUCH AUDIT SHALL BE PERFORMED
7 IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS.
8 SUCH AUDIT SHALL BE INDEPENDENT OF AND IN ADDITION TO THE INDEPENDENT
9 AUDIT OF THE AUTHORITY CONDUCTED PURSUANT TO SECTION TWENTY-EIGHT
10 HUNDRED TWO OF THIS CHAPTER.
11 2. THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM PROVIDING THE
12 AUTHORITY'S INDEPENDENT, COMPREHENSIVE, FORENSIC AUDIT SHALL BE PROHIB-
13 ITED IN PROVIDING AUDIT SERVICES IF THE LEAD (OR COORDINATING) AUDIT
14 PARTNER (HAVING PRIMARY RESPONSIBILITY FOR THE AUDIT), OR THE AUDIT
15 PARTNER RESPONSIBLE FOR REVIEWING THE AUDIT, HAS PERFORMED AUDIT
16 SERVICES FOR THE AUTHORITY WITHIN ANY OF THE TEN PREVIOUS FISCAL YEARS
17 OF THE AUTHORITY.
18 3. THE CERTIFIED INDEPENDENT ACCOUNTING FIRM PERFORMING THE AUDIT
19 PURSUANT TO THIS SECTION SHALL BE PROHIBITED FROM PERFORMING ANY NON-AU-
20 DIT SERVICES FOR THE AUTHORITY CONTEMPORANEOUSLY WITH THE AUDIT.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [] is old law to be omitted.

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1 4. IT SHALL BE PROHIBITED FOR THE CERTIFIED INDEPENDENT PUBLIC
2 ACCOUNTING FIRM TO PERFORM FOR THE AUTHORITY ANY AUDIT SERVICE IF THE
3 CHIEF EXECUTIVE OFFICER, COMPTROLLER, CHIEF FINANCIAL OFFICER, CHIEF
4 ACCOUNTING OFFICER OR ANY OTHER PERSON SERVING IN AN EQUIVALENT POSITION
5 IN THE AUTHORITY WAS EMPLOYED BY THAT CERTIFIED INDEPENDENT PUBLIC
6 ACCOUNTING FIRM AND PARTICIPATED IN ANY CAPACITY IN THE AUDIT OF THE
7 AUTHORITY AT ANY TIME IN THE PAST.

8 5. THE CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM CONTRACTED TO
9 PERFORM THE INDEPENDENT COMPREHENSIVE, FORENSIC AUDIT OF THE AUTHORITY
10 SHALL, ON OR BEFORE JANUARY FIRST, TWO THOUSAND THIRTEEN, REPORT ITS
11 FINDINGS, CONCLUSIONS AND RECOMMENDATIONS TO THE GOVERNOR, THE STATE
12 COMPTROLLER, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE
13 ASSEMBLY, THE CHAIR AND RANKING MINORITY MEMBER OF THE SENATE FINANCE
14 COMMITTEE, THE CHAIR AND RANKING MINORITY MEMBER OF THE ASSEMBLY WAYS
15 AND MEANS COMMITTEE, THE CHAIRS AND RANKING MINORITY MEMBERS OF THE
16 SENATE AND THE ASSEMBLY CORPORATIONS, AUTHORITIES AND COMMISSIONS
17 COMMITTEES, AND THE CHAIRS AND RANKING MINORITY MEMBERS OF THE SENATE
18 AND THE ASSEMBLY TRANSPORTATION COMMITTEES.

19 S 2. This act shall take effect immediately, and shall expire and be
20 deemed repealed January 2, 2013.