STATE OF NEW YORK

2580

2025-2026 Regular Sessions

IN ASSEMBLY

January 17, 2025

Introduced by M. of A. K. BROWN -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the cannabis law, the state finance law and the executive law, in relation to requiring the state comptroller and the attorney general to conduct an annual audit of the office of cannabis management

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The cannabis law is amended by adding a new section 140 to read as follows:

§ 140. Independent audit of the office of cannabis management. 1. At least once every year, the comptroller, the attorney general and the independent certified public accountants selected pursuant to this section shall conduct audits of the internal controls of the office of cannabis management. Such audits shall be performed in accordance with generally accepted government auditing standards and shall include a report on whether the office's internal controls are established and functioning in a manner that provides reasonable assurance that they meet the objectives of internal control as defined in section nine hundred fifty of the executive law. The report shall identify the internal controls both evaluated and not evaluated and shall identify internal control weaknesses that have not been corrected and actions that are recommended to correct these weaknesses. If any such internal control weaknesses are significant or material with respect to such departments, the independent auditors shall so state. The comptroller and the attorney general shall make available to the public the results of such audits, including any related management letters. The comptroller and attorney general and any officer or employee of such departments shall make available upon request to such independent certified public accountants all books and records relevant to such independent audits.

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

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2. The comptroller and the attorney general shall request proposals from independent certified public accountants for audits of the internal controls of their respective departments. The requests for proposals shall include a reference to the requirements for audits conducted pursuant to subdivision one of this section. The comptroller and attorney general shall select such independent auditors in accordance with a competitive procedure including an evaluation, based on quality and price factors, of those proposals received in response to such requests for proposals.

3. Whenever the comptroller or the comptroller's appointee is a member of any board, commission, committee, council, or corporation, which constitutes a state agency, the governing body of such board, commission, committee, council, or corporation shall select an independent auditor for the purpose of conducting audits of internal controls in accordance with this section.

§ 2. Section 10 of the cannabis law is amended by adding a new subdivision 17-a to read as follows:

17-a. Shall make available upon request to the state comptroller, the attorney general and the independent certified public accountants completing annual audits pursuant to section one hundred forty of this chapter all books and records relevant to such independent audits.

§ 3. Paragraph a of subdivision 2-b of section 8 of the state finance law, as added by chapter 510 of the laws of 1999, is amended to read as follows:

a. Either as part of one or more audits, or separately, conducting periodic audits of internal controls and operations of state agencies (other than those state agencies for which an audit is required pursuant to sections nine hundred fifty-three and nine hundred fifty-four of the executive law) and of covered authorities. **Audits of the office of cannabis management shall be conducted annually pursuant to section one hundred forty of the cannabis law.** All such audits shall be performed in accordance with generally accepted government auditing standards. Nothing in the New York state governmental accountability, audit and internal control act shall be deemed to diminish or impair the comptroller's power to audit and authority to supervise accounts under articles V and X of the state constitution and this chapter. The audits shall identify internal control weaknesses that have not been corrected and actions that are recommended to correct these weaknesses. If any such internal control weaknesses are significant or material with respect to the operations of the agency that is the subject of the audit, the comptroller shall so state. The comptroller shall make available to the public the results of any such audits.

§ 4. Section 63 of the executive law is amended by adding a new subdivision 18 to read as follows:

18. Conduct an annual audit of the office of cannabis management pursuant to the provisions of section one hundred forty of the cannabis law.

§ 5. This act shall take effect immediately.