

REFERENCE TITLE: charter schools; financial reporting

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

SB 1308

Introduced by
Senators Bradley: Cajero Bedford, Contreras, Dalessandro, Farley, Hobbs,
Mendez, Miranda, Peshlakai

AN ACT

AMENDING TITLE 15, CHAPTER 1, ARTICLE 8, ARIZONA REVISED STATUTES, BY
ADDING SECTION 15-189.05; RELATING TO CHARTER SCHOOLS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 15, chapter 1, article 8, Arizona Revised
3 Statutes, is amended by adding section 15-189.05, to read:

4 15-189.05. Charter school audits; requirements

5 AN AUDIT OF A CHARTER SCHOOL THAT IS CONDUCTED PURSUANT TO THIS
6 TITLE SHALL:

7 1. FOLLOW A STANDARD FORMAT THAT REQUIRES DETAILED AND SUPPORTING
8 INFORMATION ON ASSETS AND LIABILITIES, REVENUES AND EXPENDITURES AND
9 RELATED PARTY EXPENSES.

10 2. BE CONDUCTED BY AN AUDITOR WHO IS LOCATED IN THIS STATE AND WHO
11 HAS DEMONSTRATED EXPERTISE IN THE LAWS OF THIS STATE.

12 3. BE CONDUCTED BY AN AUDITOR WHO IS ON A LIST OF ACCEPTABLE
13 AUDITORS ESTABLISHED AND MAINTAINED BY THE STATE BOARD FOR CHARTER SCHOOLS
14 THAT USES DATA EXTRACTED FROM AUDITS TO DETERMINE WHICH AUDITORS ARE
15 CURRENTLY PROVIDING ACCEPTABLE LEVELS OF INFORMATION. THE STATE BOARD FOR
16 CHARTER SCHOOLS SHALL UPDATE THIS LIST ANNUALLY.

17 4. BE COMPLETED INDIVIDUALLY FOR EACH CHARTER ENTITY. A
18 CONSOLIDATED AUDIT MAY BE PREPARED COLLATING DATA REQUIRED PURSUANT TO
19 THIS PARAGRAPH.

20 5. BE COMPLETED INDIVIDUALLY FOR EACH CHARTER SCHOOL SEPARATE FROM
21 ANY LARGER ENTITY THAT INCLUDES THAT CHARTER SCHOOL. A CONSOLIDATED AUDIT
22 MAY BE PREPARED COLLATING DATA REQUIRED PURSUANT TO THIS PARAGRAPH.

23 6. INCLUDE AUDIT REPORTS THAT ARE NUMERICALLY IDENTICAL TO WHAT IS
24 PROVIDED IN INTERNAL REVENUE SERVICE FORM 990 AND ASSOCIATED ANNUAL
25 FINANCIAL REPORTS. ANY INCONSISTENCY MUST BE EXPLAINED IN THE AUDIT WITH
26 SPECIFIC PLANS ON HOW THE SUBJECT OF THE AUDIT INTENDS TO REMEDY THE
27 INCONSISTENCY IN THE FUTURE.