Senate Engrossed

local governments; audits; public meeting

State of Arizona
Senate
Fifty-fifth Legislature
First Regular Session
2021

SENATE BILL 1074

AN ACT

AMENDING SECTIONS 9-481, 11-661 AND 15-1473, ARIZONA REVISED STATUTES; RELATING TO GOVERNMENT AUDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 9-481, Arizona Revised Statutes, is amended to read:

9-481. Audits of cities and towns; posting; budget; accepting audit results

A. The governing body of each incorporated city or town shall cause an audit to be made by a certified public accountant who is currently certified by the Arizona state board of accountancy or who has a limited reciprocity privilege pursuant to section 32-725 and who is not an employee of the city or town. Audits shall be made for each fiscal year for all incorporated cities. Audits shall be made at least once for every two fiscal years for all incorporated towns, and the audit shall include financial transactions during both fiscal years.

B. The audit and the audit report shall include all of the accounts and funds of the city or town, including operating, special, utility, debt, trust and pension, and all other money or property for which the city or town, or any department or officer of the city or town, is responsible either directly or indirectly. The audits shall be made in accordance with generally accepted auditing standards. The consequent audit report shall contain financial statements that are in conformity with generally accepted municipal accounting principles and shall set forth the financial position and results of the operations for each fund and account of the city or town. The audit report shall also include the following:

1. The professional opinion of the accountant or accountants with respect to the financial statements or, if an opinion cannot be expressed, a declaration of the reasons an opinion cannot be expressed.

2. A determination as to whether ARIZONA highway user revenue fund monies received by the city or town pursuant to title 28, chapter 18, article 2 and any other dedicated state transportation revenues received by the city or town are being used solely for the authorized transportation purposes.

C. The audit shall begin as soon as possible after the close of the fiscal year, although interim auditing may be performed during the year or years under audit. The audit shall be completed and the final audit report shall be submitted within six months after the close of the fiscal year or years audited.

D. At least three copies of the audit report shall be signed by the auditor and filed with the city or town. The city or town shall immediately do the following:

1. Make one copy of the report a public record that is open to the public for inspection.

2. File one copy of the report with the auditor general pursuant to section 41-1279.07, subsection C.

3. Submit one copy of the report to the secretary of state.

E. The financial statements required to be filed with the auditor general pursuant to section 41-1279.07, including the audit report, must be posted in a prominent location on the official website of the city or town ~~no~~ NOT later than seven business days after the date of filing the financial statements with the auditor general. The financial statements must be retained and accessible in a prominent location on the official website for at least sixty months. If the financial statements are not filed pursuant to section 41-1279.07, the form as prescribed by subsection F of this section shall be posted on the website of the city or town in place of the financial statements until the financial statements are filed.

F. If the financial statements for a city or town are not completed and filed as prescribed by section 41-1279.07 on or before the adoption of the city or town budget in the subsequent fiscal year, the governing body shall include a form, as prescribed by the auditor general, in the published budget in the subsequent fiscal year pursuant to sections 42-17103 and 42-17105 stating that the financial statements required to be filed with the auditor general pursuant to section 41-1279.07 are pending, the reasons for the delay and the estimated date of completion.

G. If the governing body of a city or town is required to complete the form as prescribed by subsection F of this section, the governing body shall send a copy of the form to the auditor general, the speaker of the house of representatives and the president of the senate.

H. WITHIN NINETY DAYS AFTER COMPLETING AN AUDIT PURSUANT TO THIS SECTION, THE GOVERNING BODY OF THE CITY OR TOWN SHALL REQUIRE THE CERTIFIED PUBLIC ACCOUNTANT WHO PERFORMED THE AUDIT TO PRESENT THE AUDIT RESULTS AND ANY FINDINGS TO THE GOVERNING BODY IN A REGULAR MEETING WITHOUT THE USE OF A CONSENT AGENDA.

Sec. 2. Section 11-661, Arizona Revised Statutes, is amended to read:

11-661. Posting of financial statements; budget; accepting audit results

A. The financial statements required to be filed with the auditor general pursuant to section 41-1279.07 must be posted in a prominent location on the official website of the county ~~no~~ NOT later than seven business days after the date of filing the financial statements with the auditor general. The financial statements must be retained and accessible in a prominent location on the official website for at least sixty months. If the financial statements are not filed pursuant to section 41-1279.07, the form as prescribed by subsection B of this section shall be posted on the website of the county in place of the financial statements until the financial statements are filed.

B. If the financial statements for a county are not completed and filed as prescribed by section 41-1279.07 on or before the adoption of the county budget in the subsequent fiscal year, the board of supervisors must include a form, prescribed by the auditor general, in the published budget in the subsequent fiscal year pursuant to sections 42-17103 and 42-17105 stating that the financial statements required to be filed with the auditor general pursuant to section 41-1279.07 are pending, the reasons for the delay and the estimated date of completion.

C. If the board of supervisors of a county is required to complete the form as prescribed by subsection B of this section, the board of supervisors shall send a copy of the form to the auditor general, the speaker of the house of representatives and the president of the senate.

D. WITHIN NINETY DAYS AFTER COMPLETING AN AUDIT PURSUANT TO THIS SECTION, THE BOARD OF SUPERVISORS SHALL REQUIRE THE AUDITOR WHO PERFORMED THE AUDIT TO PRESENT THE AUDIT RESULTS AND ANY FINDINGS TO THE BOARD IN A REGULAR MEETING WITHOUT THE USE OF A CONSENT AGENDA.

Sec. 3. Section 15-1473, Arizona Revised Statutes, is amended to read:

15-1473. Uniform system of accounting for community college districts; duties of auditor general; posting; budget; accepting audit results

A. The auditor general shall determine the accounting systems, accounting methods and accounting procedures for use by the community college districts.

B. The auditor general, in conjunction with the community college districts, shall prescribe a uniform system of accounting as provided in section 41-1279.21 for use by all community college districts.

C. The financial statements required to be filed with the auditor general pursuant to section 41-1279.07 must be posted in a prominent location on the official website of the community college district ~~no~~ NOT later than seven business days after the date of filing the financial statements with the auditor general. The financial statements must be retained and accessible in a prominent location on the official website for at least sixty months. If the financial statements are not filed pursuant to section 41-1279.07, the form as prescribed by subsection D of this section shall be posted on the website of the community college district in place of the financial statements until the financial statements are filed.

D. If the financial statements for a community college district are not completed and filed as prescribed by section 41-1279.07 on or before the adoption of the community college district budget in the subsequent fiscal year, the board of directors must include a form, prescribed by the auditor general, in the published budget in the subsequent fiscal year pursuant to section 15-1461 stating that the financial statements required to be filed with the auditor general pursuant to section 41-1279.07 are pending, the reasons for the delay and the estimated date of completion.

E. If the community college district board of directors is required to complete the form as prescribed by subsection D of this section, the board of directors shall send a copy of the form to the auditor general, the speaker of the house of representatives and the president of the senate.

F. WITHIN NINETY DAYS AFTER COMPLETING AN AUDIT PURSUANT TO THIS SECTION, THE COMMUNITY COLLEGE DISTRICT BOARD OF DIRECTORS SHALL REQUIRE THE AUDITOR WHO PERFORMED THE AUDIT TO PRESENT THE AUDIT RESULTS AND ANY FINDINGS TO THE BOARD IN A REGULAR MEETING WITHOUT THE USE OF A CONSENT AGENDA.