REFERENCE TITLE: elections; auditor general

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SB 1603

Introduced by
Senator Townsend: Representatives Burges, Fillmore

AN ACT

REPEALING SECTION 41-1279.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2021, CHAPTER 405, SECTION 25; AMENDING SECTION 41-1279.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2019, CHAPTER 3, SECTION 11; RELATING TO THE AUDITOR GENERAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Repeal

Section 41-1279.03, Arizona Revised Statutes, as amended by Laws 2021, chapter 405, section 25, is repealed.

Sec. 2. Section 41-1279.03, Arizona Revised Statutes, as amended by Laws 2019, chapter 3, section 11, is amended to read:

41-1279.03. Powers and duties

A. The auditor general shall:

1. Prepare an audit plan for approval by the committee and report to the committee the results of each audit and investigation and other reviews conducted by the auditor general.

2. Conduct or cause to be conducted at least biennial financial and compliance audits of financial transactions and accounts kept by or for all state agencies subject to the single audit act of 1984 (P.L. 98-502). The audits shall be conducted in accordance with generally accepted governmental auditing standards and accordingly shall include tests of the accounting records and other auditing procedures as may be considered necessary in the circumstances. The audits shall include the issuance of suitable reports as required by the single audit act of 1984 (P.L. 98-502) so that the legislature, the federal government and others will be informed as to the adequacy of financial statements of ~~the~~ THIS state in compliance with generally accepted governmental accounting principles and to determine whether this state has complied with laws and regulations that may have a material effect on the financial statements and on major federal assistance programs.

3. Perform procedural reviews for all state agencies at times determined by the auditor general. These reviews may include evaluation of administrative and accounting internal controls and reports on these reviews.

4. Perform special research requests, special audits and related assignments as designated by the committee and conduct performance audits, special audits, special research requests and investigations of any state agency, whether created by the constitution or otherwise, as may be requested by the committee.

5. Annually on or before the fourth Monday of December, prepare a written report to the governor and to the committee that contains a summary of activities for the previous fiscal year.

6. In the tenth year and in each fifth year thereafter in which a transportation excise tax is in effect in a county as provided in section 42-6106 or 42-6107, conduct a performance audit that:

(a) Reviews past expenditures and future planned expenditures of the transportation excise revenues and determines the impact of the expenditures in solving transportation problems within the county and, for a transportation excise tax in effect in a county as provided in section 42-6107, determines whether the expenditures of the transportation excise revenues comply with section 28-6392, subsection B.

(b) Reviews projects completed to date and projects to be completed during the remaining years in which a transportation excise tax is in effect. Within six months after each review period, the auditor general shall present a report to the speaker of the house of representatives and the president of the senate detailing findings and making recommendations.

(c) Reviews, determines, reports and makes recommendations to the speaker of the house of representatives and the president of the senate whether the distribution of ARIZONA highway user revenues complies with title 28, chapter 18, article 2.

7. If requested by the committee, conduct performance audits of counties and incorporated cities and towns receiving ARIZONA highway user revenue fund monies pursuant to title 28, chapter 18, article 2 to determine whether the monies are being spent as provided in section 28-6533, subsection B.

8. Perform special audits designated pursuant to law if the auditor general determines that there are adequate monies appropriated for the auditor general to complete the audit. If the auditor general determines the appropriated monies are inadequate, the auditor general shall notify the committee.

9. Establish a schoolwide audit team in the office of the auditor general to conduct performance audits and monitor school districts to determine the percentage of every dollar spent in the classroom by the school district. Each school district shall prominently post on its website home page a copy of its profile pages that displays the percentage of every dollar spent in the classroom by that school district from the most recent status report issued by the auditor general pursuant to this paragraph. The performance audits shall determine whether school districts that receive monies from the Arizona English language learner fund established by section 15-756.04 and the statewide compensatory instruction fund established by section 15-756.11 comply with title 15, chapter 7, article 3.1. The auditor general shall determine, through random selection, the school districts to be audited each year, subject to review by the joint legislative audit committee. A school district that is subject to an audit pursuant to this paragraph shall notify the auditor general in writing whether the school district agrees or disagrees with the findings and recommendations of the audit and whether the school district will implement the findings and recommendations, implement modifications to the findings and recommendations or refuse to implement the findings and recommendations. The school district shall submit to the auditor general a written status report on the implementation of the audit findings and recommendations every six months for two years after an audit conducted pursuant to this paragraph. The auditor general shall review the school district's progress toward implementing the findings and recommendations of the audit every six months after receipt of the district's status report for two years. The auditor general may review a school district's progress beyond this two-year period for recommendations

that have not yet been implemented by the school district. The auditor general shall provide a status report of these reviews to the joint legislative audit committee. The school district shall participate in any hearing scheduled during this review period by the joint legislative audit committee or by any other legislative committee designated by the joint legislative audit committee.

10. Annually review per diem compensation and reimbursement of expenses for employees of this state and members of a state board, commission, council or advisory committee by judgmentally selecting samples and evaluating the propriety of per diem compensation and expense reimbursements.

11. ON REQUEST OF THE HOUSE OF REPRESENTATIVES OR THE SENATE OR AT THE AUDITOR GENERAL'S DISCRETION, CONDUCT ONE OR MORE AUDITS OF COUNTY ELECTIONS FOR STATE AND FEDERAL OFFICES. THE AUDITS MAY INCLUDE REVIEWS OF VOTER ROLLS, ELECTION SYSTEMS, VOTING EQUIPMENT AND BALLOT TABULATION EQUIPMENT AND MAY REVIEW COMPLIANCE WITH STATE LAW AND THE INSTRUCTIONS AND PROCEDURES MANUAL ISSUED PURSUANT TO SECTION 16-452.

B. The auditor general may:

1. Subject to approval by the committee, adopt rules necessary to administer the duties of the office.

2. Hire consultants to conduct the studies required by subsection A, paragraphs 6 and 7 of this section.

C. If approved by the committee, the auditor general may charge a reasonable fee for the cost of performing audits or providing accounting services for auditing federal funds, special audits or special services requested by political subdivisions of this state. Monies collected pursuant to this subsection shall be deposited in the audit services revolving fund.

D. The department of transportation, the board of supervisors of a county that has approved a county transportation excise tax as provided in section 42-6106 or 42-6107 and the governing bodies of counties, cities and towns receiving ARIZONA highway user revenue fund monies shall cooperate with and provide necessary information to the auditor general or the auditor general's consultant.

E. The department of transportation shall reimburse the auditor general as follows, and the auditor general shall deposit the reimbursed monies in the audit services revolving fund:

1. For the cost of conducting the studies or hiring a consultant to conduct the studies required by subsection A, paragraph 6, subdivisions (a) and (b) of this section, from monies collected pursuant to a county transportation excise tax levied pursuant to section 42-6106 or 42-6107.

2. For the cost of conducting the studies or hiring a consultant pursuant to subsection A, paragraph 6, subdivision (c) and paragraph 7 of this section, from the Arizona highway user revenue fund.