

REFERENCE TITLE: auditor general; charter schools

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1323

Introduced by
Senators Epstein: Alston, Burch, Mendez, Miranda

AN ACT

AMENDING SECTIONS 15-120, 15-914.02, 41-1279.03 AND 41-1279.04, ARIZONA
REVISED STATUTES; RELATING TO THE AUDITOR GENERAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-120, Arizona Revised Statutes, is amended to
3 read:

4 15-120. Suicide prevention training; approved materials;
5 posting; immunity; spending classification

6 A. ~~Beginning in the 2020-2021 school year,~~ School districts and
7 charter schools shall provide training in suicide awareness and prevention
8 for school guidance counselors, teachers, principals and other school
9 personnel who work with pupils in grades six through twelve. Each person
10 who is required to obtain training pursuant to this section shall complete
11 that training at least once every three years. The training must include:

12 1. Training in suicide prevention.

13 2. Training to identify the warning signs of suicidal behavior in
14 adolescents and teens.

15 3. Appropriate intervention and referral techniques.

16 B. The training prescribed in subsection A of this section:

17 1. Must use evidence-based training materials.

18 2. May be provided within the framework of existing in-service
19 training programs offered by the school district or charter school or as
20 part of professional development activities.

21 C. The Arizona health care cost containment system administration
22 shall make available suicide prevention training that complies with the
23 requirements of this section and post this training information on the
24 administration's website. ~~On or before July 1, 2020,~~ The administration
25 shall identify or develop and post on the administration's website a list
26 of approved materials that schools may use to provide the training
27 prescribed in subsection A of this section. The administration shall
28 annually update these approved materials.

29 D. School personnel, entities or any other persons are not civilly
30 liable for any actions taken in good faith pursuant to this section except
31 in cases of gross negligence, wilful misconduct or intentional wrongdoing.

32 E. The auditor general shall classify any costs incurred by school
33 districts OR CHARTER SCHOOLS in implementing this section as classroom
34 spending for the purposes of the ~~annual~~ report prepared pursuant to
35 section 41-1279.03, subsection A, paragraph 9.

36 Sec. 2. Section 15-914.02, Arizona Revised Statutes, is amended to
37 read:

38 15-914.02. School districts; charter schools; audit

39 A school district OR CHARTER SCHOOL that is subject to audit
40 pursuant to section 41-1279.03 shall comply with the reporting, follow-up
41 and hearing participation requirements of that section.

42 Sec. 3. Section 41-1279.03, Arizona Revised Statutes, is amended to
43 read:

44 41-1279.03. Powers and duties

45 A. The auditor general shall:

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

4 2. Conduct or cause to be conducted annual financial and compliance
5 audits of financial transactions and accounts kept by or for all state
6 agencies subject to the federal single audit requirements. The audits
7 shall be conducted in accordance with generally accepted governmental
8 auditing standards and accordingly shall include tests of the accounting
9 records and other auditing procedures as may be considered necessary in
10 the circumstances. The audits shall include the issuance of suitable
11 reports as required by the federal single audit requirements so that the
12 legislature, the federal government and others will be informed as to the
13 adequacy of financial statements of this state in compliance with
14 generally accepted accounting principles and to determine whether this
15 state has complied with laws and regulations that may have a material
16 effect on the financial statements and on major federal assistance
17 programs.

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

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

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

30 6. In the fifth year and in each fifth year thereafter in which a
31 transportation excise tax is in effect in a county as provided in section
32 42-6106 or 42-6107, conduct a performance audit that:

33 (a) Reviews past expenditures and future planned expenditures of
34 the transportation excise revenues and determines the impact of the
35 expenditures in solving transportation problems within the county and, for
36 a transportation excise tax in effect in a county as provided in section
37 42-6107, determines whether the expenditures of the transportation excise
38 revenues comply with section 28-6392, subsection B.

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

44 (c) Reviews, determines, reports and makes recommendations to the
45 speaker of the house of representatives and the president of the senate

1 whether the distribution of Arizona highway user revenues complies with
2 title 28, chapter 18, article 2.

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

8 8. Perform special audits designated pursuant to law if the auditor
9 general determines that there are adequate monies appropriated for the
10 auditor general to complete the audit. If the auditor general determines
11 the appropriated monies are inadequate, the auditor general shall notify
12 the [JOINT LEGISLATIVE AUDIT](#) committee. Based on information provided by
13 the auditor general, for any legislative measure that requires the auditor
14 general to perform a special audit, the joint legislative budget committee
15 staff shall notify all the members of the legislature as soon as
16 practicable of the cost to conduct the special audit.

17 9. Establish a schoolwide audit team in the office of the auditor
18 general to conduct performance audits and monitor school districts [AND](#)
19 [CHARTER SCHOOLS](#) to determine the percentage of every dollar spent in the
20 classroom by the school district [OR CHARTER SCHOOL](#). Each school district
21 [AND CHARTER SCHOOL](#) shall prominently post on its website home page a copy
22 of its profile pages that displays the percentage of every dollar spent in
23 the classroom by that school district [OR CHARTER SCHOOL](#) from the most
24 recent status report issued by the auditor general pursuant to this
25 paragraph. The auditor general shall determine, through random selection,
26 the school districts [AND CHARTER SCHOOLS](#) to be audited each year, subject
27 to review by the joint legislative audit committee. A school district [OR](#)
28 [CHARTER SCHOOL](#) that is subject to an audit pursuant to this paragraph
29 shall notify the auditor general in writing whether the school district [OR](#)
30 [CHARTER SCHOOL](#) agrees or disagrees with the findings of the audit and
31 whether the school district [OR CHARTER SCHOOL](#) will implement the
32 recommendations, implement modifications to the recommendations or refuse
33 to implement the recommendations. The school district [OR CHARTER SCHOOL](#)
34 shall submit to the auditor general a written status report on the
35 implementation of the audit recommendations at the request of the auditor
36 general, within the two-year period following the issuance of an audit
37 conducted pursuant to this paragraph. The auditor general shall review
38 the school district's [OR CHARTER SCHOOL'S](#) progress toward implementing the
39 recommendations of the audit and provide status reports of the reviews to
40 the joint legislative audit committee during this two-year period. The
41 auditor general may review a school district's [OR CHARTER SCHOOL'S](#)
42 progress beyond this two-year period for recommendations that have not yet
43 been implemented by the school district [OR CHARTER SCHOOL](#). The school
44 district [OR CHARTER SCHOOL](#) shall participate in any hearing scheduled
45 during this review period by the joint legislative audit committee or by

1 any other legislative committee designated by the joint legislative audit
2 committee.

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

8 B. The auditor general may:

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

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

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

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

26 E. The department of transportation or the county transportation
27 excise tax recipients shall reimburse the auditor general as follows, and
28 the auditor general shall deposit the reimbursed monies in the audit
29 services revolving fund:

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

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

37 Sec. 4. Section 41-1279.04, Arizona Revised Statutes, is amended to
38 read:

39 41-1279.04. Authority to examine records; violation;
40 classification; attorney general supervision

41 A. The auditor general or the auditor general's authorized
42 representatives, in the performance of official duties, shall have access
43 to employees and the authority to examine any and all books, accounts,
44 reports, vouchers, correspondence files and other records, bank accounts,
45 criminal history record information as defined in section 41-1701 and in

1 accordance with section 41-1750, monies and other property of any state
2 agency, board, commission, department, institution, program, advisory
3 council or committee or political subdivision of this state, whether
4 created by the constitution or otherwise, or such documents and property
5 of a contractor relating to a contract with this state pursuant to section
6 35-214. Any such agency or political subdivision, ~~having~~ THAT HAS such
7 records under the officer's or employee's control, ~~shall~~ shall allow access to
8 and examination of the records on the request of the auditor general or
9 the auditor general's authorized representative.

10 B. For the purpose of complying with section 41-1279.03, subsection
11 A, paragraphs 4 and 9, the auditor general or the auditor general's
12 authorized representative, in the performance of official duties, may
13 attend executive sessions of the governing body of any state agency, ~~or~~
14 school district OR CHARTER SCHOOL in this state.

15 C. For the purpose of auditing the department of revenue, the
16 auditor general and the auditor general's authorized representatives have
17 access to state tax returns, except that a report of the auditor general
18 shall not violate the confidentiality of state tax laws.

19 D. For the purpose of complying with subsection A of this section,
20 all officers of any state agency, board, commission, department,
21 institution, program, advisory council or committee or political
22 subdivision of this state shall provide reasonable space for auditor
23 general staff and make records available, in the form and at the time
24 prescribed.

25 E. Any officer or person who knowingly fails or WHO refuses to
26 allow access and examination pursuant to this section or knowingly
27 obstructs or misleads the auditor general in the execution of the auditor
28 general's duties is guilty of a class 2 misdemeanor.

29 F. The attorney general shall supervise the prosecution of all
30 offenders under this section.