

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 184

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO FINANCIAL AUDITS; AMENDING SECTION 67-450B, IDAHO CODE, TO RE-
VISE PROVISIONS REGARDING EXPENDITURE LEVELS OF LOCAL GOVERNMENTAL EN-
TITIES SUBJECT TO AUDITS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 67-450B, Idaho Code, be, and the same is hereby
amended to read as follows:

67-450B. INDEPENDENT FINANCIAL AUDITS OF LOCAL GOVERNMENTAL ENTITIES
-- FILING REQUIREMENTS. (1) The requirements set forth in this section are
minimum audit requirements for all local governmental entities, and in-
clude, without limitation, all cities, counties, authorities and districts
organized as separate legal and reporting entities under Idaho law, and
include the councils, commissions and boards as appointed or elected and
charged with fiscal management responsibilities of the local governmental
entity.

Audits under these requirements are to be performed by independent
auditors in accordance with generally accepted governmental auditing stan-
dards, as defined by the United States general accountability office. The
auditor shall be employed on written contract.

The entity's governing body shall be required to include in its annual
budget all necessary expenses for carrying out the provisions of this sec-
tion.

The entity shall file one (1) copy of each completed audit report with
the legislative services office within nine (9) months after the end of the
audit period.

(2) The minimum requirements for any audit performed under the provi-
sions of this section are:

(a) The governing body of a local governmental entity whose annual ex-
penditures ~~(from all sources)~~ exceed two hundred fifty thousand dollars
(\$250,000) shall cause a full and complete audit of its financial state-
ments to be made each fiscal year.

(b) The governing body of a local governmental entity whose annual
expenditures ~~(from all sources)~~ exceed one hundred fifty thousand dol-
lars (~~\$10~~50,000), but do not exceed two hundred fifty thousand dollars
(\$250,000) in the current year, shall have an annual audit or may elect
to have its financial statements audited on a biennial basis. The
first year that expenditures exceed one hundred fifty thousand dollars
(~~\$10~~50,000) is the first year of the biennial audit period. The local
~~government~~ governmental entity may continue the biennial audit cycle
in subsequent years as long as the entity's annual expenditures during
the first year of the biennial audit period do not exceed two hundred
fifty thousand dollars (\$250,000). In the event that annual expen-

1 ditures exceed two hundred fifty thousand dollars (\$250,000) in the
2 current year following a year in which a biennial audit was completed,
3 the local ~~government~~ governmental entity shall complete an annual au-
4 dit. In the event that annual expenditures in the current year do not
5 exceed one hundred fifty thousand dollars (\$1050,000) following a year
6 in which an annual or biennial audit was completed, the local ~~government~~
7 governmental entity has no minimum audit requirement.

8 (c) The governing body of a local governmental entity whose annual ex-
9 penditures ~~(from all sources)~~ do not exceed one hundred fifty thousand
10 dollars (\$1050,000) has no minimum audit requirements under this sec-
11 tion.

12 (d) Federal audit requirements applicable because of expenditure of
13 federal assistance supersede the minimum audit requirements provided
14 in this section.