

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 1247

By: Sanders

6  
7 COMMITTEE SUBSTITUTE

8 An Act relating to counties and county officers;  
9 amending 19 O.S. 2011, Section 171, which relates to  
10 audits of the county; authorizing audits to be  
11 performed by independent certified public accounting  
12 firm; providing frequency of audit performed by State  
13 Auditor and Inspector; transferring authority to the  
14 county to determine type of audit to be performed;  
15 transferring authority to the county to determine  
16 whether to perform additional audit of certain  
17 persons; eliminating State Auditor and Inspector  
18 authority to perform additional audits; and providing  
19 an effective date.

20 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

21 SECTION 1. AMENDATORY 19 O.S. 2011, Section 171, is  
22 amended to read as follows:

23 Section 171. A. Each county of this state shall every two (2)  
24 years have an audit made by, at the county's choosing, either the  
State Auditor and Inspector ~~or a~~, the State Auditor and Inspector's  
duly appointed deputy or deputies or an independent certified public  
accounting firm to audit ~~of~~ all of the books, records and accounts

1 of all the officers of each county of this state, which audit shall  
2 be general in its nature and shall include an audit of the books,  
3 records and accounts of all officers who collect or disburse monies,  
4 fees, fines or public charges of any kind including therein a tax  
5 roll audit, a claim audit, and an audit of each of the justices of  
6 peace within the county; provided that the State Auditor and  
7 Inspector shall perform the audit at a minimum of every six (6)  
8 years.

9 B. 1. For purposes of this subsection, an audit shall be a  
10 financial or performance audit defined as follows:

- 11 a. the financial audit shall be planned and conducted,  
12 and the results of the work reported, in accordance  
13 with auditing standards generally accepted in the  
14 United States and Government Auditing Standards issued  
15 by the Comptroller General of the United States,  
16 b. the performance audit shall be planned and conducted,  
17 and the results of the work reported, in accordance  
18 with Government Auditing Standards issued by the  
19 Comptroller General of the United States. The  
20 performance audit shall encompass an audit of internal  
21 controls and compliance with laws and regulations  
22 based on an individual risk assessment.

23 The type of audit to be performed will be determined by the ~~State~~  
24 ~~Auditor and Inspector~~ county.

1        2. Unless the county elects to prepare its financial statement  
2 in accordance with Generally Accepted Accounting Principles as  
3 prescribed by the Governmental Accounting Standards Board, the  
4 county shall present their financial statements in a regulatory  
5 basis of accounting as prescribed in subsection C of this section.

6        C. 1. For county, primary government only, financial audits,  
7 the financial statements shall be presented on a fund-basis format  
8 with, at a minimum, the general fund and all other county funds  
9 which represent ten percent (10%) or greater of total county  
10 revenue. All other funds included in the audit shall be presented  
11 in the aggregate.

12        2. The financial statements shall include but not be limited to  
13 the following:

- 14            a. a statement of revenues or receipts, expenditures or  
15                disbursements, and changes in cash balances for the  
16                funds identified in the preceding paragraph, and
- 17            b. notes to the financial statements.

18        D. The report shall include but not be limited to the following  
19 supplemental information:

20            1. A combining schedule detailing by fund the information  
21 presented in the aggregate;

22            2. A comparison of the final adopted budget to the actual  
23 expenditures for all funds required by law to have an adopted  
24 budget; and

1 3. Notes to the budget to actual schedule.

2 E. An audit may include a performance audit, a financial audit,  
3 agreed-upon procedures, or limited review of the books and records.  
4 In addition to the above, the ~~State Auditor and Inspector~~ county may  
5 ~~require~~ elect to have an audit of the books and records of any  
6 county official or custodian of any of the funds of the county upon  
7 the death, resignation or removal from office of the county  
8 official, covering a period from the date of the last general audit  
9 up to the date of the death, resignation or removal therefrom.

10 F. Each biennial county audit shall cover the two preceding  
11 fiscal years beginning as of July 1st immediately preceding the year  
12 in which the appropriation is made for the general audit, ~~provided,~~  
13 ~~that nothing herein shall prevent the State Auditor and Inspector~~  
14 ~~from causing an audit to be made for any prior year of all the~~  
15 ~~books, records and accounts of the county official.~~

16 SECTION 2. This act shall become effective November 1, 2017.

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