

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 HOUSE BILL 1948

By: Roberts (Dustin)

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5  
6 AS INTRODUCED

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

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

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

24 Section 171. A. Each county of this state shall every two (2)  
years have an audit made:

1. Beginning fiscal year 2020, and every four (4) years  
thereafter, the audit shall be prepared by a certified public  
accountant or a licensed public accountant. The audit required  
pursuant to this paragraph shall adhere to standards set by the

1 State Auditor and Inspector. A copy of the audit required pursuant  
2 to this paragraph shall be filed with the Governor, district  
3 attorney, county clerk and the State Auditor and Inspector not more  
4 than one hundred twenty (120) days following the close of each  
5 fiscal year of the district. In the event that a copy of the audit  
6 required pursuant to this paragraph is not filed with the State  
7 Auditor and Inspector within the time herein provided or for any  
8 other reason deemed expedient by him or her, the State Auditor and  
9 Inspector is authorized to either commence an audit or employ a  
10 certified public accountant or licensed public accountant to make  
11 the audit herein required at the cost and expense of the county; and

12 2. Beginning fiscal year 2022, and every four (4) years  
13 thereafter, the audit shall be made by the State Auditor and  
14 Inspector or a duly appointed deputy or deputies.

15 B. The audits required pursuant to subsection A of this section  
16 shall be of all of the books, records and accounts of all the  
17 officers of each county of this state, which audit shall be general  
18 in its nature and shall include an audit of the books, records and  
19 accounts of all officers who collect or disburse monies, fees, fines  
20 or public charges of any kind including therein a tax roll audit, a  
21 claim audit, and an audit of each of the justices of peace within  
22 the county.

23 ~~B.~~ C. 1. For purposes of this subsection, an audit shall be a  
24 financial or performance audit defined as follows:

- 1 a. the financial audit shall be planned and conducted,  
2 and the results of the work reported, in accordance  
3 with auditing standards generally accepted in the  
4 United States and Government Auditing Standards issued  
5 by the Comptroller General of the United States, and  
6 b. the performance audit shall be planned and conducted,  
7 and the results of the work reported, in accordance  
8 with Government Auditing Standards issued by the  
9 Comptroller General of the United States. The  
10 performance audit shall encompass an audit of internal  
11 controls and compliance with laws and regulations  
12 based on an individual risk assessment.

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

15 2. Unless the county elects to prepare its financial statement  
16 in accordance with Generally Accepted Accounting Principles as  
17 prescribed by the Governmental Accounting Standards Board, the  
18 county shall present ~~their~~ its financial statements in a regulatory  
19 basis of accounting as prescribed in subsection ~~C~~ D of this section.

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

3 2. The financial statements shall include but not be limited to  
4 the following:

5 a. a statement of revenues or receipts, expenditures or  
6 disbursements, and changes in cash balances for the  
7 funds identified in ~~the preceding~~ paragraph 1 of this  
8 subsection, and

9 b. notes to the financial statements.

10 ~~D.~~ E. The report shall include but not be limited to the  
11 following supplemental information:

12 1. A combining schedule detailing by fund the information  
13 presented in the aggregate;

14 2. A comparison of the final adopted budget to the actual  
15 expenditures for all funds required by law to have an adopted  
16 budget; and

17 3. Notes to the budget to actual schedule.

18 ~~E.~~ F. An audit may include a performance audit, a financial  
19 audit, agreed-upon procedures, or limited review of the books and  
20 records. In addition to the ~~above~~ audits required pursuant to this  
21 section, the ~~State Auditor and Inspector~~ county may ~~require~~ elect to  
22 have an audit of the books and records of any county official or  
23 custodian of any of the funds of the county upon the death,  
24 resignation or removal from office of the county official, covering

1 a period from the date of the last general audit up to the date of  
2 the death, resignation or removal therefrom.

3 ~~F. G.~~ Each biennial county audit shall cover the two preceding  
4 fiscal years beginning as of July 1st immediately preceding the year  
5 in which the appropriation is made for the general audit, ~~provided,~~  
6 ~~that nothing herein shall prevent the State Auditor and Inspector~~  
7 ~~from causing an audit to be made for any prior year of all the~~  
8 ~~books, records and accounts of the county official.~~

9 SECTION 2. This act shall become effective November 1, 2019.

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11 57-1-5204 AMM 12/20/18

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