

2013 -- S 0021

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LC00105
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO TOWNS AND CITIES -- AUDIT OF ACCOUNTS AND INSTALLATION OF
SYSTEMS

Introduced By: Senators DiPalma, DaPonte, Sosnowski, E O'Neill, and Sheehan

Date Introduced: January 16, 2013

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 45-10 of the General Laws entitled "Audit of Accounts and
2 Installation of Systems" is hereby amended by adding thereto the following section:

3 **45-10-17. Municipal accounting compliance.** – (a) The office of auditor general and the
4 division of municipal finance shall promulgate a uniform system of accounting, including a chart
5 of accounts based on the recommendations of the advisory council on municipal finance, and
6 require all accounts of the municipality to be kept in accordance therewith; provided, that in any
7 case in which the uniform system of accounting is not practicable, the office of auditor general in
8 conjunction with the division of municipal finance shall determine the manner in which the
9 accounts shall be kept.

10 (b) For the purpose of securing a uniform system of accounting and a chart of accounts
11 the advisory council on municipal finances, as defined in section 45-10-16 may make such
12 surveys of the operation of municipalities as they shall deem necessary.

13 (c) If any municipality fails to install and maintain the uniform system of accounting,
14 including a chart of accounts, or fails to keep its accounts and interdepartmental records, or
15 refuses or neglects to make the reports and to furnish the information in accordance with the
16 method prescribed by the office of auditor general and the division of municipal finance or
17 hinders or prevents the examination of accounts and financial records, the auditor general and the
18 division of municipal finance may make a report to the general assembly, specifying the nature

1 and extent of the failure, refusal, neglect, hindrance, or prevention, and the general assembly is
2 hereby authorized and directed to review the matter so reported. If the general assembly shall find
3 that failure, refusal, neglect, hindrance, or prevention exists and that the municipality should
4 properly comply in the matter so reported, the general assembly shall direct the municipality, in
5 writing, to so comply. If the failure, refusal, neglect, hindrance, or prevention shall continue for a
6 period of ten (10) days following the written direction, the general assembly may withhold
7 distribution of state aid to the municipality.

8 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would create a uniform system of auditing for municipal finances.
- 2 This act would take effect upon passage.

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