

COMMITTEE ON GOVERNMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2369
(Reference to printed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

~~[GREEN STRIKEOUT IN BRACKETS]~~ indicates new text removed from statute or previously enacted session law.

~~[Green strikeout in brackets]~~ indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

~~<<Green strikeout in carets>>~~ indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Section 41-1279.21, Arizona Revised Statutes, is amended
3 to read:

4 41-1279.21. Powers and duties of auditor general relating to
5 counties, school districts, community colleges
6 and county treasurers

7 A. In addition to other powers and duties prescribed by law, the
8 auditor general shall:

9 1. Conduct or cause to be conducted annual financial statement
10 audits of financial transactions and accounts kept by or for all counties.
11 For a county that is required to comply with the federal single audit
12 requirements, audits shall include compliance audits of financial
13 transactions and applicable accounts kept by or for the county. The
14 audits shall be conducted in accordance with generally accepted
15 governmental auditing standards and, accordingly, shall include tests of
16 the accounting records and other auditing procedures as may be considered
17 necessary under the circumstances. Each county shall provide financial
18 information for inclusion in the annual audit that verifies that Arizona
19 highway user revenue fund monies received by the county pursuant to title
20 28, chapter 18, article 2 and any other dedicated state transportation
21 revenues received by the county are being used solely for the authorized
22 transportation purposes.

23 2. Perform procedural reviews for school districts that are not
24 required to comply with the federal single audit requirements at times
25 determined by the auditor general. These reviews may include evaluation
26 of administrative and accounting internal controls and reports on such
27 reviews.

1 3. Conduct or cause to be conducted annual financial statement
2 audits of financial transactions and accounts kept by or for community
3 college districts. For a community college district that is required to
4 comply with the federal single audit requirements, audits shall include
5 compliance audits of financial transactions and applicable accounts kept
6 by or for the community college district. The audits shall be conducted
7 in accordance with generally accepted governmental auditing standards and,
8 accordingly, shall include tests of the accounting records and other
9 auditing procedures as may be considered necessary under the
10 circumstances.

11 4. Approve contracts for financial and compliance auditing services
12 except if specific statutory authority is otherwise provided. The auditor
13 general shall ensure that such contract audits are conducted in accordance
14 with generally accepted governmental auditing standards and shall
15 determine if such audits meet minimum audit standards prescribed by the
16 auditor general. An audit shall not be accepted as meeting the
17 requirements of this paragraph until it has been approved by the auditor
18 general.

19 5. Order and enforce a correct and uniform system of accounting by
20 county, community college district and school district officers and
21 instruct them in the proper mode of keeping accounts of their offices.

22 6. Require of county treasurers and custodians of county, community
23 college district or school district funds, as often as the auditor general
24 deems necessary, a verified statement of their accounts.

25 7. Report to the committee and to the attorney general the refusal
26 or neglect of any county, community college district or school district
27 officer to conform to rules and regulations of the auditor general's
28 office.

29 8. Report to the committee and to the governor the result of the
30 auditor general's examinations of county, community college district and
31 school district offices as often as required by public interest.

32 9. PERFORM PROCEDURAL REVIEWS OF COUNTY TREASURERS' OFFICES. THESE
33 REVIEWS MAY INCLUDE EVALUATING COMPLIANCE WITH THE UNIFORM SYSTEM OF
34 ACCOUNTING FOR COUNTY TREASURERS PRESCRIBED BY THE AUDITOR GENERAL AND
35 ADMINISTRATIVE AND ACCOUNTING INTERNAL CONTROLS. THE AUDITOR GENERAL
36 SHALL PROVIDE IN WRITING THE RESULTS OF THE PROCEDURAL REVIEW, INCLUDING
37 ANY RECOMMENDATIONS, TO THE COUNTY TREASURER, COUNTY BOARD OF SUPERVISORS
38 AND JOINT LEGISLATIVE AUDIT COMMITTEE. [A COUNTY TREASURER'S OFFICE THAT
39 IS SUBJECT TO A REVIEW PURSUANT TO THIS PARAGRAPH SHALL NOTIFY THE AUDITOR
40 GENERAL IN WRITING WHETHER THE COUNTY TREASURER'S OFFICE AGREES OR
41 DISAGREES WITH THE FINDINGS OF THE REVIEW AND WHETHER THE COUNTY
42 TREASURER'S OFFICE WILL IMPLEMENT THE RECOMMENDATIONS, IMPLEMENT
43 MODIFICATIONS TO THE RECOMMENDATIONS OR REFUSE TO IMPLEMENT THE
44 RECOMMENDATIONS.] AT THE REQUEST OF THE AUDITOR GENERAL, THE COUNTY
45 TREASURER SHALL SUBMIT TO THE AUDITOR GENERAL A WRITTEN STATUS REPORT ON
46 CORRECTING THE DEFICIENCIES AND IMPLEMENTING THE RECOMMENDATIONS OF THE
47 PROCEDURAL REVIEW WITHIN A ONE-YEAR PERIOD AFTER RECEIVING THE RESULTS OF

1 THE PROCEDURAL REVIEW. THE AUDITOR GENERAL SHALL FOLLOW UP AND REVIEW THE
2 COUNTY TREASURER'S PROGRESS TOWARD CORRECTING THE DEFICIENCIES AND
3 IMPLEMENTING THE RECOMMENDATIONS OF THE PROCEDURAL REVIEW AND PROVIDE A
4 STATUS REPORT TO THE COUNTY BOARD OF SUPERVISORS AND THE JOINT LEGISLATIVE
5 AUDIT COMMITTEE DURING THE ONE-YEAR PERIOD. THE AUDITOR GENERAL MAY REVIEW
6 A COUNTY TREASURER'S PROGRESS AFTER THE ONE-YEAR PERIOD IF THERE ARE
7 DEFICIENCIES THAT THE COUNTY TREASURER HAS NOT CORRECTED OR
8 RECOMMENDATIONS THAT THE COUNTY TREASURER HAS NOT IMPLEMENTED. THE COUNTY
9 TREASURER SHALL PARTICIPATE IN ANY HEARING SCHEDULED DURING THIS REVIEW
10 PERIOD BY THE JOINT LEGISLATIVE AUDIT COMMITTEE OR BY ANY OTHER
11 LEGISLATIVE COMMITTEE DESIGNATED BY THE JOINT LEGISLATIVE AUDIT COMMITTEE.

12 B. The auditor general may adopt rules providing for disapproving
13 contracts, and suspending or debarring any contractor providing financial
14 and compliance auditing services to a school district based on applicable
15 standards similar to those adopted by this state under section 41-2613.

16 C. Notwithstanding any other law, the disapproval of a contract or
17 the suspension or debarment may be appealed to the superior court pursuant
18 to title 12, chapter 7, article 6.

19 Enroll and engross to conform

20 Amend title to conform

And, as so amended, it do pass

WALT BLACKMAN
CHAIRMAN

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02/05/2025

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