

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

HOUSE BILL HB1676

By: Blackburn

AS INTRODUCED

An Act relating to counties and county officers; amending 19 O.S. 2001, Sections 1402, 1404 and 1405, which relate to the County Budget Act; modifying purpose of the act; modifying definition; removing certain accounting record requirements; modifying and deleting certain duties of the State Auditor and Inspector; amending 19 O.S. 2001, Section 1502, which relates to uniform identification and inventory system for county supplies; modifying entity responsible for certain duties; amending 74 O.S. 2001, Section 214, which relates to uniform systems of bookkeeping; removing certain bookkeeping system requirement; and providing an effective date.

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

SECTION 1. AMENDATORY 19 O.S. 2001, Section 1402, is amended to read as follows:

Section 1402. The purpose of this act is to provide a budget procedure for county governments which shall:

1. Establish uniform and sound fiscal procedures for the preparation, adoption, execution and control of budgets;
2. Enable counties to make financial plans for both current and capital expenditures and to ensure that their executive staffs administer their respective functions in accordance with adopted budgets; and
3. Make available to the public and investors sufficient information as to the financial conditions, requirements and expectations of the county government; ~~and~~
4. ~~Assist county governments to improve and implement generally accepted accounting principles as applied to governmental~~

~~accounting, auditing and financial reporting and standards of governmental finance management.~~

SECTION 2. AMENDATORY 19 O.S. 2001, Section 1404, is amended to read as follows:

Section 1404. As used in ~~this act~~ the County Budget Act:

1. "Account" means a columnar record in which are entered the increases and decreases of related monetary transactions and the resulting balance thereof. Accounts are maintained within each fund, classified by categories appropriate thereto;

2. "Appropriation" means an authorization and allocation of money to be expended for a given function, activity or particular purpose;

3. "Board" means the county budget board created by ~~this act~~ the County Budget Act;

4. "Budget" means a plan of financial operations for a fiscal year, including an estimate of proposed expenditures for given purposes and the proposed means for financing them. "Budget" may refer to the budget of a particular fund for which a budget is required by law or it may refer collectively to the budget for such funds;

5. "Budget summary" means a tabular listing of revenues by source and expenditures by fund and by department within each fund for the budget year;

6. "Budget year" means the fiscal year for which a budget is prepared or being prepared;

7. "County" means any county government and all its agencies, instrumentalities, departments, offices, boards or commissions, which by resolution of the governing body has elected to come under and comply with all of the provisions and requirements of ~~this act~~ the County Budget Act;

8. "County officer" means the county clerk, county commissioner, county assessor, district court clerk, county treasurer or county sheriff;

9. "Current year" means the year in which the budget is prepared and adopted, i.e., the fiscal year next preceding the budget year;

10. "Deficit" means the excess of the liabilities, reserves, including encumbrances, and contributions of a fund over its assets, as reflected by its book of account;

11. "Department" means a functional unit within a fund, such as a sheriff's department or a health department;

12. "Estimated revenue" means the amount of revenues estimated to be received during the budget year from each source in each fund for which a budget is being prepared. Estimated revenue includes any appropriated fund balance as a separate item in the budget of revenues for a particular fund for the budget year;

13. "Fiscal year" means the annual period for reporting fiscal operations, which begins and ends on dates as the Legislature provides;

14. "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts to record cash and other financial resources, together with all liabilities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives, ~~or as otherwise defined in current generally accepted accounting principles;~~

15. "Fund balance" means the excess of the assets of a fund over its liabilities, reserves, including encumbrances, and contributions, as reflected by its book of account;

16. "Governing body" means the board of county commissioners of the county;

17. "Immediate prior fiscal year" means the year next preceding the current year;

18. "Levy" means to impose ad valorem taxes or the total amount of ad valorem taxes imposed for a specific purpose or for a given entity; and

19. "Operating reserve" means that portion of the fund balance which has not been appropriated in a budget year. The "operating reserve" will be equivalent to the "unappropriated fund balance" in any fund for which a budget is prepared.

SECTION 3. AMENDATORY 19 O.S. 2001, Section 1405, is amended to read as follows:

Section 1405. ~~The accounting records of each county shall be established and maintained and financial statements prepared therefrom in conformity with generally accepted accounting principles promulgated from time to time by authoritative bodies in the United States.~~ The State Auditor and Inspector shall prescribe a uniform system of accounting ~~that conforms to generally accepted accounting principles~~ for counties which have elected to come under the provisions of ~~this act~~ the County Budget Act. ~~The State Auditor and Inspector shall disseminate to each county, through accounting manuals or other means, current generally accepted accounting principles.~~

SECTION 4. AMENDATORY 19 O.S. 2001, Section 1502, is amended to read as follows:

Section 1502. A. 1. ~~The State Auditor and Inspector or a designated employee of the State Auditor and Inspector's office~~ board of county commissioners shall:

- a. prescribe a uniform identification system for all supplies, materials and equipment of a county used in the construction and maintenance of roads and bridges; and
- b. create and administer an inventory system for all:
 - (1) equipment of a county having an original cost of Two Hundred Fifty Dollars (\$250.00) or more for

use in the construction and maintenance of roads and bridges, and

- (2) supplies and materials of a county purchased in lots of Five Hundred Dollars (\$500.00) or more for use in the construction and maintenance of roads and bridges.

Such person shall be the county road and bridge inventory officer.

2. a. In counties having a county budget board created pursuant to Sections 1402 et seq. of ~~Title 19 of the Oklahoma Statutes~~ this title, said board may, upon an affirmative vote of a majority of all the board members then in office, appoint a county road and bridge inventory officer who shall be employed by the county and shall have such duties as are provided in subparagraphs a and b of paragraph 1 of this subsection. ~~In the event the board does not appoint a county road and bridge inventory officer the State Auditor and Inspector or designee shall be the county road and bridge inventory officer.~~ An appointed county road and bridge inventory officer shall be under the general supervision and direction of the appointing authority.
- b. An appointed county road and bridge inventory officer shall be authorized necessary assistants to carry out the duties and responsibilities provided by law and as may be delegated by the appointing authority. Provided, the employment of such assistants shall be upon the approval of the appointing authority. The salary of the county road and bridge inventory officer and assistants shall be fixed by the appointing authority.

c. An appointed county road and bridge inventory officer shall, at the expense of the county, be authorized adequate office space, furnishings, equipment and supplies to carry out the duties and responsibilities of the county road and bridge inventory officer as provided by law and as may be delegated by the appointing authority. Provided, the acquisition of such furnishings, equipment and supplies shall be upon the approval of the appointing authority and the acquisition of office space shall be upon the approval of the board of county commissioners.

B. The board of county commissioners shall:

1. Prescribe a uniform identification system for all supplies, materials and equipment of a county not used in the construction and maintenance of roads and bridges; and

2. Create and administer an inventory system for all:

a. equipment of a county having an original cost of Two Hundred Fifty Dollars (\$250.00) or more and not used in the construction and maintenance of roads and bridges, and

b. supplies and materials of a county purchased in lots of Five Hundred Dollars (\$500.00) or more and not used in the construction and maintenance of roads and bridges.

The board of county commissioners may designate an employee of that office to administer such inventory system.

SECTION 5. AMENDATORY 74 O.S. 2001, Section 214, is amended to read as follows:

Section 214. The State Auditor and Inspector shall prescribe a uniform system of bookkeeping for the use of all county officials to afford a suitable check upon their mutual acts and ensure a thorough inspection, and to ensure the safety of the state and county funds.

~~He~~ The State Auditor and Inspector shall have full authority to prescribe a system of bookkeeping for all county officers ~~which shall be in accordance with generally accepted accounting principles, as applied to governmental units, except when in conflict with Oklahoma Statutes,~~ and when necessary instruct or cause to be instructed the state and county officers in the proper mode of keeping the accounts. Provided however, when a conflict with Oklahoma Statutes arises concerning accounting systems for those counties utilizing electronic data processing, the county may request in writing that the State Auditor and Inspector approve an alternate accounting procedure. The State Auditor and Inspector shall have the authority to approve or disapprove such requests. Annually, the State Auditor and Inspector shall provide a report of those counties requesting alternate accounting systems to the Speaker of the House of Representatives and the President Pro Tempore of the Senate. The State Auditor and Inspector shall not change any accounting systems or procedures, during the last year of his the term of office of the State Auditor and Inspector, that would have an impact on the ability of any independent licensed public accountant to provide auditing services to such officers. ~~He~~ The State Auditor and Inspector shall make a thorough examination of the books, accounts and vouchers of such officers, ascertaining in detail the various items of receipts and expenditures. ~~He~~ The State Auditor and Inspector shall report to the Governor the refusal or neglect of any state or county officer to obey ~~his the~~ instruction of the State Auditor and Inspector. ~~He~~ The State Auditor and Inspector shall make a report of the result of ~~his the~~ examination, which shall be filed in the Office of the State Auditor and Inspector, as well as any failure of duty by any financial officers, and the Governor may cause the result of such examination to be published. Provided, that no county officer shall be required to discard any books or supplies on hand.

SECTION 6. This act shall become effective November 1, 2003.

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