

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 ENGROSSED SENATE
5 BILL NO. 358

By: Holt of the Senate

and

Osburn (Mike) of the House

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9 An Act relating to property; amending 60 O.S. 2011,
10 Section 180.1, which relates to uses and trusts;
11 modifying certain requirement related to annual
12 audits.

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

14 SECTION 1. AMENDATORY 60 O.S. 2011, Section 180.1, is
15 amended to read as follows:

16 Section 180.1. A. The trustees of every trust created for the
17 benefit and furtherance of any public function with the State of
18 Oklahoma or any county or municipality as the beneficiary or
19 beneficiaries thereof must cause an audit to be made of the
20 financial statements of the trust, such audit to be ordered within
21 thirty (30) days of the close of each fiscal year of the trust. The
22 audit shall be filed in accordance with the requirements set forth
23 for financial statement audits in Section 212A of Title 74 of the
24 Oklahoma Statutes.

1 B. The trustees of a trust which has more than Fifty Thousand
2 Dollars (\$50,000.00) in revenues or assets, and for whom an annual
3 financial statement audit is not required by another law,
4 regulation, or contract, shall cause to be conducted, by an
5 independent licensed public accountant or a certified public
6 accountant, an annual audit of the trust's financial statements in
7 accordance with auditing standards generally accepted in the United
8 States and Government Auditing Standards as issued by the
9 Comptroller General of the United States or an agreed-upon-
10 procedures engagement over certain financial information and
11 compliance requirements to be performed in accordance with the
12 applicable attestation standards of The American Institute of
13 Certified Public Accountants, ~~and the fieldwork and reporting~~
14 ~~standards in Government Auditing Standards.~~ The specific procedures
15 to be performed are:

16 1. Prepare a schedule of revenues, expenditures/expenses and
17 changes in fund balances/net assets for each fund and determine
18 compliance with any applicable trust or other prohibitions for
19 creating fund balance deficits;

20 2. Agree material bank account balances to bank statements, and
21 trace significant reconciling items to subsequent clearance;

22 3. Compare uninsured deposits to fair value of pledged
23 collateral;

1 4. Compare use of material-restricted revenues and resources to
2 their restrictions;

3 5. Determine compliance with requirements for separate funds;
4 and

5 6. Determine compliance with reserve account and debt service
6 coverage requirements of bond indentures.

7 Such engagement shall be ordered within thirty (30) days of the
8 close of each fiscal year of the trust. Copies of the annual audit
9 or agreed-upon-procedures report shall be filed with the State
10 Auditor and Inspector within six (6) months after the close of the
11 fiscal year and with the trustees and governing body of the
12 beneficiaries.

13 C. Public trusts which have less than Fifty Thousand Dollars
14 (\$50,000.00) in revenue and less than Fifty Thousand Dollars
15 (\$50,000.00) in assets, and for whom an annual financial statement
16 audit is not required by another law, regulation, or contract and
17 any public trust which did not have financial activity exceeding
18 Fifty Thousand Dollars (\$50,000.00) since its last audit may apply
19 to the State Auditor and Inspector for a waiver of the requirements
20 of subsections A and B of this section.

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22 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT MODERNIZATION, dated
23 04/05/2017 - DO PASS.
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