

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4

February 20, 2017

By: Holt

An Act relating to cities and towns; amending 11 O.S. 2011, Section 17-105, as amended by Section 1, Chapter 211, O.S.L. 2016 (11 O.S. Supp. 2016, Section 17-105), which relates to municipal finances; and modifying certain procedures related to auditing requirements.

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

SECTION 1. AMENDATORY 11 O.S. 2011, Section 17-105, as amended by Section 1, Chapter 211, O.S.L. 2016 (11 O.S. Supp. 2016, Section 17-105), is amended to read as follows:

Section 17-105. A. The governing body of each municipality with an income of Twenty-five Thousand Dollars (\$25,000.00) or more to its general fund during a fiscal year shall cause to be prepared, by an independent licensed public accountant or a certified public accountant, an annual financial statement audit to be conducted in accordance with auditing standards generally accepted in the United States of America and "Government Auditing Standards" as issued by the Comptroller General of the United States. Such audit shall be

1 ordered within thirty (30) days of the close of each fiscal year.
2 Copies shall be filed with the State Auditor and Inspector within
3 six (6) months after the close of the fiscal year in accordance with
4 the provisions of Sections 3022 and 3023 of Title 68 of the Oklahoma
5 Statutes and with the governing body of the municipality.

6 B. The governing body of each municipality with an income of
7 Twenty-five Thousand Dollars (\$25,000.00) or more to its general
8 fund during a fiscal year and with a population of less than two
9 thousand five hundred (2,500) as of the most recent Federal
10 Decennial Census, and for whom an annual financial statement audit
11 is not required by another law, regulation or contract, shall cause
12 to be prepared, by an independent licensed public accountant or a
13 certified public accountant, an annual financial statement audit in
14 accordance with auditing standards generally accepted in the United
15 States and Government Auditing Standards as issued by the
16 Comptroller General of the United States, or an agreed-upon-
17 procedures engagement over certain financial information and
18 compliance requirements to be performed in accordance with the
19 applicable attestation standards of The American Institute of
20 Certified Public Accountants, ~~and the fieldwork and reporting~~
21 ~~standards in Government Auditing Standards.~~ The specific procedures
22 to be performed are as follows for the fiscal year:
23
24

1 1. Prepare a schedule of changes in fund balances for each fund
2 and determine compliance with the statutory prohibition of creating
3 fund balance deficits;

4 2. Prepare a budget and actual financial schedule for the
5 General Fund and any other significant funds listing separately each
6 federal fund and determine compliance with the legal level of
7 appropriations by comparing expenditures and encumbrances to
8 authorized appropriations;

9 3. Agree material bank account balances to bank statements, and
10 trace significant reconciling items to subsequent clearance;

11 4. Compare uninsured deposits to fair value of pledged
12 collateral;

13 5. Compare use of material-restricted revenues and resources to
14 their restrictions;

15 6. Determine compliance with requirements for separate funds;
16 and

17 7. Determine compliance with reserve account and debt service
18 coverage requirements of bond indentures.

19 Such audit or agreed-upon-procedures engagement shall be ordered
20 within thirty (30) days of the close of each fiscal year. Copies
21 shall be filed with the State Auditor and Inspector within six (6)
22 months after the close of the fiscal year in accordance with the
23 provisions of Sections 3022 and 3023 of Title 68 of the Oklahoma
24 Statutes and with the governing body of the municipality.

1 C. The municipal income requirements in subsections A and B of
2 this section shall not include any grant monies provided to a
3 municipality from any federal, state, or other governmental entity.

4 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT
5 February 20, 2017 - DO PASS
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24