

**BILL SUMMARY**  
1<sup>st</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2362</b>
<b>Version:</b>	<b>SAHB</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Boles</b>
<b>Date:</b>	<b>5/6/2024</b>
<b>Impact:</b>	<b>\$0</b>

**Research Analysis**

The senate amendments to HB 2362 establishes procedures for municipalities that elect to participate in a biennial agree-upon-procedure engagement. The agreed-upon procedures must be performed in accordance with standards of the American Institute of Certified Public Accountants. Additionally, the measure extends the ability to participate in a biennial agreed-upon-procedure engagement to public trusts with municipal governments as the beneficiary that meet certain financial requirements.

The procedures required of governing bodies include:

- Verifying cash deposits for the general fund and utility fund were made in the appropriate accounts;
- Establishing policies related to adjustments or write-offs for receivables due to municipalities and the utility-related trust and testing for adherence to those policies;
- Setting a pay rate for the city manager, city clerk, city treasurer, and payroll clerk and checking for over compensation;
- Establishing policies of use for debit or credit cards and testing for adherence to those policies;
- Selecting a sample of transactions to test for supporting documentation;
- Ensuring bank account balances and bank statements match, preparing a cash basis schedule of changes in fund balances for each fund, and determining if any bank accounts that are not under city council purview exist;
- Comparing uninsured deposits at fiscal year-end to the fair value of pledged collateral and comparing the use of material-restricted revenue and resources to their restrictions; and
- Inquiring if any instances of known fraud, illegal acts, or noncompliance have occurred.

Prepared By: Keana Swadley

**Fiscal Analysis**

Hb 2362 in its current form is not anticipated to have a direct impact on the state budget or appropriations.

Prepared By: John McPhetridge, House Fiscal Staff

**Other Considerations**

None.

