

## Potential Redlines to §17-36-45

### 17-36-45. Internal control structure.

(1) Each county legislative body shall ... ~~implement an internal control structure to ensure, on a reasonable basis, that all valid financial transactions of the county are identified and recorded accurately and timely.~~ establish internal controls with the objective of managing the risks and controlling county operations in a manner that provides all elected officials with reasonable assurance that the following control objectives are achieved: ~~The objectives of the internal control structure shall be to ensure:~~

(a) the proper authorization of transactions and activities;

(b) the appropriate segregation of:

(i) the duty to authorize transactions;

~~(ii) the duty to execute transactions;~~

~~(iii) the duty to record transactions; and~~

~~(iii) iv) the duty to maintain custody of assets; and~~

(v) the duty to audit transactions.

~~(c) the design and use of adequate documents and records to ensure the proper recording of events; data and information data and information published either internally or externally is accurate, reliable, and timely.~~

(d) adequate safeguards over access to and use of assets and records; ~~and~~

~~(e) independent checks on performance and proper valuation of recorded amounts~~ the actions of elected officials and employees are in compliance with the organization's code of conduct, policies, standards, plans and procedures, and all relevant laws and regulations;

(f) county resources, including people, systems, data/information, and taxpayer goodwill, are adequately protected;

~~(g) Resources are acquired economically and employed effectively; quality business processes and continuous improvement are emphasized; and~~

~~(h) county plans, programs, goals, and objectives are achieved.~~

(2) County managers, directors, executives, and elected officials shall be responsible for primary assurance of county internal controls. Said county managers, directors, executives, and elected officials shall manage risks and control business activities using monitoring, review, and testing processes. It is the responsibility of county managers, directors, executives, and elected officials at all levels of county organization to:

~~(a) identify and evaluate the exposures to loss that relate to their particular sphere of operations;~~

~~(b) develop and adopt policies, plans, operating standards, procedures, systems, and other means to minimize, mitigate, and/or limit the risks associated with the exposures identified;~~

~~(c) establish practical controlling processes that require and encourage management and their employees to carry out their duties and responsibilities in a manner that achieves the control objectives outlined in 17-36-45; and~~

~~(d) maintain the effectiveness of the controlling processes they have established and foster continuous improvement to these processes.~~

~~(2) 3) The state auditor shall evaluate procedures implemented to effectuate this section and shall provide advice and consultation in approving and updating these procedures.~~

## *Issue #2a Potential Redlines*

§17-19a-101. Title and scope.

- (1) This chapter is known as "County ~~Auditor~~ Controller."
- (2) (a) This chapter applies to a county of the first class.
  - (b) (i) On or before December 31, 2014, a county of the second, third, fourth, fifth, or sixth class is not subject to the provisions of this chapter; and
  - (ii) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth class is subject to the provisions of this chapter.

§17-19a-201. Seal.

- (1) The county legislative body shall furnish the ~~auditor-controller~~ a seal in accordance with Subsection (2).
- (2) The seal shall contain or be impressed with:
  - (a) the name of the county; and
  - (b) "State of Utah, County ~~Auditor~~ Controller."

*Etc. etc. etc. as applied to remaining sections in 19a.*

§17-53-101. County officers enumerated.

- (1) The elected officers of a county are:
  - (a) (i) in a county operating under a county commission or expanded county commission form of government, county commission members; or
  - (ii) in a county operating under one of the other forms of county government under Subsection 17-52-402(1)(a), county legislative body members and the county executive;
  - (b) a county treasurer, a sheriff, a county clerk, a county ~~auditor-controller~~, a county recorder, a county attorney, a district attorney in a county which is part of a prosecution district, a county surveyor, and a county assessor; and
  - (c) any others provided by law.
- (2) Notwithstanding Subsection (1), in counties having a taxable value of less than \$100,000,000 the county clerk shall be ex officio ~~auditor-controller~~ of the county and shall perform the duties of the office without extra compensation.

### Issue 3: Potential Redlines

#### §17-19a-102. Definitions.

(1) "Account" or "accounting" means:

(a) the systematic recording, classification, or summarizing of a financial transaction or event; and

(b) the interpretation or presentation of the result of an action described in Subsection (1)(a).

(2) "Audit" or "auditing" means an examination that is a formal analysis of a county account, ~~or~~ county record, ~~or other financial, compliance, technology, or operating information:~~

(a) to verify accuracy, completeness, or compliance with an internal control;

(b) to give a fair presentation of a county's financial, ~~compliance, technological, or operational~~ status; and...

(7) "Performance audit" means a review and audit as described in Subsection §17-19a-206(3) of a county program, county operation, county management system, or county agency to:

(a) review procedures, activities, ~~or~~ policies, ~~or information systems;~~ and

(b) determine whether the county is achieving the best levels of economy, efficiency, effectiveness, ~~security, conduct (code of conduct),~~ and compliance.

#### §17-19a-204. Auditing services.

...

... (a) Except as provided in Subsection (1)(b) and subject to Subsection (2), a county auditor is authorized to audit the financial records, ~~and~~ accounts, ~~and assets~~ of a:

(i) county office;

(ii) county department;

(iii) county division;

(iv) county justice court; or

(v) any other county entity.

(b) The county auditor may not audit county auditor's own office, including any of the county auditor's financial records or accounts.

(2) The county auditor shall perform an audit:

(a) as needed, as defined by good management practices and the standards of the profession;

(b) ~~to prevent and detect fraud;~~ and...

#### §17-19a-206. Performance audit services.

...

(3) A performance audit conducted in accordance with this section may include a review and audit the following:

(a) the honesty and integrity of financial and other affairs;

(b) the accuracy and reliability of financial and management reports;

(c) the adequacy of financial, ~~compliance, technology, conduct (code of conduct), and operational~~ controls to safeguard public funds ~~and assets and detect fraud;~~

(d) the management and staff adherence to statute, ordinance, policies, and legislative intent;