

COUNTY AUDITOR AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill modifies provisions relating to the scope and duties of the county auditor.

Highlighted Provisions:

This bill:

- ▶ establishes the county auditor as being independent from any executive or administrative county officers; and
- ▶ modifies the authority and duties of a county auditor.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 17-19a-202**, as enacted by Laws of Utah 2012, Chapter 17
- 17-19a-204**, as enacted by Laws of Utah 2012, Chapter 17
- 17-19a-206**, as enacted by Laws of Utah 2012, Chapter 17
- 17-19a-208**, as enacted by Laws of Utah 2012, Chapter 17
- 17-34-5**, as last amended by Laws of Utah 2011, Chapter 297

REPEALS:

- 17-19a-101**, as last amended by Laws of Utah 2022, Chapter 288

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **17-19a-202** is amended to read:

17-19a-202. General duties.

[A county auditor shall perform:]

[~~(1) in accordance with Section 17-19a-205, an accounting duty or service described in this chapter or otherwise required by law;~~]

33 ~~[(2) an auditing duty or service described in this chapter or otherwise required by law;~~
 34 ~~and]~~

35 ~~[(3) other duties as may be required by law.]~~

36 (1) Except as provided in Section 17-19a-206(1)(a), the county auditor shall comply
 37 with the principles and standards of ethics, independence, and professional judgment in
 38 accordance with generally accepted government auditing standards.

39 (2) The county auditor may:

40 (a) audit, examine, or review the operations, funds, or accounts of any county office,
 41 department, division, court, or entity if:

42 (i) determined necessary by the county auditor;

43 (ii) requested by the county executive or the county legislative body; or

44 (iii) required by law;

45 (b) assess and report on the following in relation to the county:

46 (i) honesty and integrity of fiscal affairs;

47 (ii) accuracy and reliability of financial statements;

48 (iii) effectiveness and adequacy of financial controls; or

49 (iv) compliance with the law; or

50 (c) conduct other responsibilities as authorized by law.

51 (3) The county auditor of a county of the first class shall:

52 (a) comply with generally accepted government auditing standards; and

53 (b) audit any county construction contract involving more than \$20,000,000.

54 Section 2. Section **17-19a-204** is amended to read:

55 **17-19a-204. Financial Audits.**

56 (1) (a) Except as provided in Subsection (1)(b) and subject to Subsection (2), ~~[a]~~ the
 57 county auditor ~~[is authorized to]~~ may audit the financial records and accounts of ~~[a]~~:

58 (i) a county office;

59 (ii) a county department;

60 (iii) a county division;

61 (iv) a county justice court; or

62 (v) any other county entity.

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

65 (2) The county auditor shall perform ~~[an]~~ a financial audit:

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

68 (b) based on the auditor's professional judgement, taking into account considerations
69 related to risk and materiality.

70 (3) Nothing in this section may be construed to affect a county legislative body's
71 authority under Section 17-53-212 or a county executive's authority under Section 17-53-303.

72 Section 3. Section **17-19a-206** is amended to read:

73 **17-19a-206. Performance and special purpose audits, examinations, and reviews.**

74 (1) (a) ~~[A]~~ The county auditor of a county of the second, third, fourth, fifth, or sixth
75 class shall, under the direction and supervision of the county legislative body or county
76 executive and subject to Subsections (1)(b) ~~[and (2), provide performance audit services]~~
77 conduct performance and special purpose audits, examinations, and reviews ~~[for a county~~
78 ~~office, department, division, or other county entity].~~

79 (b) ~~[A]~~ The county legislative body or county executive shall establish the goals and
80 nature of these performance and special purpose audits, examinations, and reviews. ~~[county~~
81 ~~auditor may not conduct a performance audit of the auditor's own office].~~

82 (2) The county auditor of a county of the first class shall conduct performance and
83 special purpose audits, examinations, and reviews. ~~[The county legislative body or county~~
84 ~~executive shall establish the goals and nature of a performance audit and related services.]~~

85 (3) A performance or special purpose audit, examination, or review conducted in
86 accordance with this section may include ~~[a review and audit of]~~ an assessment of and report
87 on the following:

88 (a) the honesty and integrity of ~~[financial]~~ fiscal and other affairs;

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

90 (c) the adequacy of financial controls to safeguard public funds;

91 (d) the ~~[management and staff]~~ adherence to statute, ordinance, policies, and
92 legislative intent;

93 (e) the economy, efficiency, and effectiveness of operational performance;

94 (f) the accomplishment of intended objectives; and

95 (g) whether management, financial, and information systems are adequate, ~~[and~~

96]effective, and secure.

97 (4) The county auditor may not conduct a performance audit of the auditor's own
98 office.

99 Section 4. Section **17-19a-208** is amended to read:

100 **17-19a-208. Reporting -- State treasurer -- County legislative body.**

101 (1) On or before the last day of each month, the [~~county auditor~~] finance officer shall
102 submit a report to the state treasurer regarding the collection, care, and disbursement of state
103 money by the county during the preceding month.

104 (2) The county auditor and the county treasurer shall, as required by the county
105 legislative body, make a joint report to the county executive and the county legislative body
106 accounting for the financial condition of the county.

107 (3) If a county auditor determines that a county office, department, division, court, or
108 entity has not implemented the county auditor's prior recommendation in connection with a
109 previous audit, examination, or review, the county auditor shall notify the county legislative
110 body that the entity has not implemented the recommendation.

111 Section 5. Section **17-34-5** is amended to read:

112 **17-34-5. Budgeting, accounting for, and disbursing of funds -- Annual audit.**

113 (1) (a) With respect to the budgeting, accounting for, and disbursing of funds to
114 furnish the municipal-type services and functions described in Section 17-34-1 to areas of the
115 county outside the limits of incorporated towns and cities, including levying of taxes and
116 imposition of fees and charges under Section 17-34-3, each county legislative body shall
117 separately budget and strictly account for and apportion to the costs of providing
118 municipal-type services and functions the following:

119 (i) the salaries of each county commissioner and the salaries and wages of all other
120 elected and appointed county officials and employees;

121 (ii) the operation and maintenance costs of each municipal-type service or function
122 provided, set forth separately as line items in the Municipal Services Fund budget;

123 (iii) the cost of renting or otherwise using capital facilities for the purposes of
124 providing municipal-type services or functions; and

125 (iv) all other costs including administrative costs associated, directly or indirectly, with
126 the costs of providing municipal-type services or functions.

127 (b) At all times these funds and any expenditures from these funds shall be separately

128 accounted for and utilized only for the purposes of providing municipal-type services and
129 functions to areas of the county outside the limits of incorporated towns or cities.

130 (2) To implement Subsection (1):

131 (a) a budget shall be adopted and administered in the same manner as the budget for
132 general purposes of the county which furnishes the municipal-type services and functions is
133 adopted and administered, either as a part of the general budget or separate from it;

134 (b) funds for the purposes of furnishing municipal-type services and functions under
135 this chapter shall be collected, held, and administered in the same manner as other funds of the
136 county are collected, held, and administered, but shall be segregated and separately
137 maintained, except that where, in the judgment of the county legislative body, advantages inure
138 to the fund from coinvestment of these funds and other funds also subject to control by the
139 county legislative body, the county legislative body may direct this coinvestment, but in no
140 event may the funds to furnish municipal-type services and functions or the income from their
141 investment be used for purposes other than those described in Section 17-34-1;

142 (c) expenditures shall be made in the same manner as other expenditures of the county
143 are made; and

144 (d) any taxes levied under this chapter shall be levied at the same time and in the same
145 manner as other taxes of the county are levied.

146 (3) An annual audit of the budgeting, accounting for, and disbursing of funds used to
147 furnish municipal-type services and functions, shall be conducted by an independent certified
148 public accountant who is unaffiliated with the county auditor.

149 Section 6. **Repealer.**

150 This bill repeals:

151 Section **17-19a-101, Title and scope.**