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1	ACCOUNTING AUDIT STANDARDS
2	2007 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Keith Grover
5	Senate Sponsor: Margaret Dayton
6 7	LONG TITLE
8	General Description:
9	This bill modifies the Accounting Reports from Political Subdivisions, Interlocal
10	Organizations, and Other Local Entities Act.
11	Highlighted Provisions:
12	This bill:
13	 modifies definitions to clarify that financial reporting by local governments be done
14	in conformity with generally accepted accounting principles.
15	Monies Appropriated in this Bill:
16	None
17	Other Special Clauses:
18	None
9	Utah Code Sections Affected:
20	AMENDS:
21	51-2a-102 , as enacted by Chapter 206, Laws of Utah 2004
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23	Be it enacted by the Legislature of the state of Utah:
24	Section 1. Section 51-2a-102 is amended to read:
25	51-2a-102. Definitions.
26	As used in this chapter:
27	(1) "Accounting reports" means an audit, a review, a compilation, or a fiscal report.
28	(2) "Audit" means an examination that:
29	(a) analyzes the accounts of all officers of the entity having responsibility for the care,

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30 management, collection, or disbursement of moneys belonging to it or appropriated by law or 31 otherwise acquired for its use or benefit; 32 (b) is performed in accordance with generally accepted government auditing standards; 33 and 34 (c) conforms to the uniform classification of accounts established or approved by the 35 state auditor or any other classification of accounts established by any federal government 36 agency. 37 (3) "Audit report" means: 38 (a) the financial statements presented in conformity with generally accepted accounting 39 principles; 40 (b) the auditor's opinion on the financial statements; 41 (c) a statement by the auditor expressing positive assurance of compliance with state 42 fiscal laws identified by the state auditor; 43 (d) a copy of the auditor's letter to management that identifies any material weakness in 44 internal controls discovered by the auditor and other financial issues related to the expenditure 45 of funds received from federal, state, or local governments to be considered by management; 46 and 47 (e) management's response to the specific recommendations. 48 (4) "Compilation" means information presented in the form of financial statements 49 presented in conformity with generally accepted accounting principles that are the 50 representation of management without the accountant undertaking to express any assurances on 51 the statements. 52 (5) "Fiscal report" means providing information detailing revenues and expenditures of 53 all funds using forms provided by the state auditor. 54 (6) "Governing board" means: 55 (a) the governing board of each political subdivision; 56 (b) the governing board of each interlocal organization having the power to tax or to

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expend public funds;

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58 (c) the governing board of any local mental health authority established under the 59 authority of Title 62A, Chapter 15, Substance Abuse and Mental Health Act; 60 (d) the governing board of any substance abuse authority established under the 61 authority of Title 62A, Chapter 15, Substance Abuse and Mental Health Act; 62 (e) the governing board of any area agency established under the authority of Title 63 62A, Chapter 3, Aging and Adult Services; 64 (f) the governing board of any nonprofit corporation that receives at least 50% of its funds from federal, state, and local government entities through contracts; 65 66 (g) the governing board of any other entity established by a local governmental unit 67 that receives tax exempt status for bonding or taxing purposes; and 68 (h) in municipalities organized under an optional form of municipal government, the 69 municipal legislative body. 70 (7) "Review" means performing inquiry and analytical procedures that provide the 71 accountant with a reasonable basis for expressing limited assurance that there are no material 72 modifications that should be made to the financial statements for them to be in conformity with 73 generally accepted accounting principles.