

**COUNTY AUDITOR AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jordan D. Teuscher**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to the scope and duties of a 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-102**, as last amended by Laws of Utah 2022, Chapter 288

**17-19a-202**, as enacted by Laws of Utah 2012, Chapter 17

**17-19a-205**, as last amended by Laws of Utah 2022, Chapter 288

**17-19a-208**, as enacted by Laws of Utah 2012, Chapter 17

**17-19a-401**, as enacted by Laws of Utah 2012, Chapter 17

**17-34-5**, as last amended by Laws of Utah 2011, Chapter 297

REPEALS:



28 17-19a-101, as last amended by Laws of Utah 2022, Chapter 288

29 17-19a-204, as enacted by Laws of Utah 2012, Chapter 17

30 17-19a-206, as enacted by Laws of Utah 2012, Chapter 17

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

33 Section 1. Section 17-19a-102 is amended to read:

34 **17-19a-102. Definitions.**

35 As used in this chapter:

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

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

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

41 (2) (a) "Accounting services" means the creation, modification, or deletion of  
42 transactions and records in a financial accounting system, including the preparation of a  
43 county's annual financial report.

44 (b) "Accounting services" does not include the creation of a purchase order.

45 (3) "Audit" or "auditing" means an examination that is a formal analysis of a county  
46 account or county financial record:

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

48 (b) to give a fair presentation of a county's financial status; and

49 (c) that conforms to the uniform classification of accounts established by the state  
50 auditor.

51 (4) "Book" means a financial record of the county, regardless of a record's format.

52 (5) (a) "Budget" or "budgeting" means the preparation or presentation of a proposed or  
53 tentative budget as provided in Chapter 36, Uniform Fiscal Procedures Act for Counties.

54 (b) "Budget" or "budgeting" includes:

55 (i) a revenue projection;

56 (ii) a budget request compilation; or

57 (iii) the performance of an activity described in Subsection (5)(b)(i) or (ii).

58 (6) (a) "Claim" means under the color of law:

- 59 (i) a demand presented for money or damages; or
- 60 (ii) a cause of action presented for money or damages.

61 (b) "Claim" does not mean a routine, uncontested, or regular payment, including a bill,  
 62 purchase, or payroll.

63 (7) "County executive" means the elected chief executive officer of a county.

64 ~~[(7)]~~ (8) "Performance audit" means ~~[a review and audit as described in Subsection~~  
 65 ~~17-19a-206(3) of a county program, county operation, county management system, or county~~  
 66 ~~agency to:]~~ a review and audit of a county office, officer, department, division, court, or entity  
 67 to determine whether that office, officer, department, division, court, or entity, or any related  
 68 program is:

69 (a) managing public resources and exercising authority in compliance with law and  
 70 policy;

71 (b) achieving objectives and desired outcomes; and

72 (c) providing services effectively, efficiently, economically, ethically, and equitably.

73 ~~[(a) review procedures, activities, or policies; and]~~

74 ~~[(b) determine whether the county is achieving the best levels of economy, efficiency,~~  
 75 ~~effectiveness, and compliance.]~~

76 Section 2. Section 17-19a-202 is amended to read:

77 **17-19a-202. Duties and services.**

78 ~~[A county auditor shall perform:]~~

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

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

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

84 (1) Except as required or precluded under this chapter, the county auditor shall  
 85 conduct, in relation to any county office, officer, department, division, court, or entity, as the  
 86 county auditor deems necessary, the following duties and services:

87 (a) financial audits;

88 (b) attestation-level examinations, reviews, and agreed-upon procedures engagements  
 89 or reviews of financial statements;

- 90 (c) performance audits;
- 91 (d) subject to and in accordance with Section 17-19a-205, accounting services; and
- 92 (e) other duties as required by law.

93 (2) The county auditor shall provide any specific service under Subsections (1)(a)  
94 through (c):

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

97 (b) based on the county auditor's professional judgment, taking into account  
98 considerations related to risk and materiality; and

99 (c) in a county of the first class, in compliance with Generally Accepted Government  
100 Audition Standards in effect as of the end of the calendar year that precedes the start of the  
101 county auditor's work.

102 (3) (a) A county auditor shall, at the request and engagement of a county legislative  
103 body or a county executive, conduct a performance audit for a county office, officer,  
104 department, division, court, or entity as the county legislative body or county executive deems  
105 necessary.

106 (b) The county legislative body or county executive shall establish the goals and nature  
107 of performance audits under Subsection (3)(a).

108 (c) The county auditor shall conduct a performance audit under Subsection (3)(a) in a  
109 manner consistent with the county auditor's professional judgment, statutory duties, and lawful  
110 authority.

111 (d) A county legislative body or county executive and the county auditor shall agree  
112 upon the prioritization and timing of a performance audit under Subsection (3)(a) with terms  
113 that are consistent with the auditor's statutory duties and available resources.

114 (4) The county auditor may not conduct the services described in Subsections (1)(a)  
115 through (c) with respect to the auditor's own office, accounts, or financial records.

116 (5) Nothing in this chapter limits a county legislative body's authority under Section  
117 17-53-212 or a county executive's authority under Section 17-53-303.

118 Section 3. Section 17-19a-205 is amended to read:

119 **17-19a-205. Accounting services.**

120 (1) Except as provided in Subsections (2) [~~and (3)~~] through (4), the county auditor shall

121 provide accounting services for the county.

122 (2) For a county operating under the county executive-council form of government as  
123 described in Section 17-52a-203, the county council may, by ordinance, delegate accounting  
124 services provided for or executed on behalf of the entire county:

125 (a) to the county executive; or

126 (b) to an office's or department's officer or director.

127 (3) For a county operating under the council-manager form of county government as  
128 described in Section 17-52a-204, if the county auditor provides preapproval or postpayment  
129 review for all payments by the county, the county council may by ordinance passed on or  
130 before December 31, 2021, delegate accounting services provided for or executed on behalf of  
131 the entire county:

132 (a) to the county manager; or

133 (b) to an office's or department's officer or director.

134 (4) A county auditor of a county of the first class complying with Generally Accepted  
135 Government Auditing Standards in accordance with Subsection 17-19a-202(2)(c) may not  
136 provide accounting services for the county.

137 [(4)] (5) If a county council delegates the provision of accounting services in  
138 accordance with Subsection (2) or (3):

139 (a) the county council shall make the delegation in accordance with good management  
140 practice to foster effectiveness, efficiency, and the adequate protection of a county asset;

141 (b) the county council shall make the delegation by considering appropriate checks and  
142 balances within county government; and

143 (c) the entity that is selected to provide accounting services shall prepare the tentative  
144 budget as provided in Chapter 36, Uniform Fiscal Procedures Act for Counties.

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

146 **17-19a-208. Reporting -- State treasurer -- County legislative body.**

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

150 (2) The county auditor and the county treasurer shall, as required by the county  
151 legislative body, make a joint report to the county executive and the county legislative body

152 accounting for the financial condition of the county.

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

157 Section 5. Section **17-19a-401** is amended to read:

158 **17-19a-401. County auditor investigative powers -- Report of findings.**

159 (1) (a) A county auditor:

160 (i) may conduct an investigation of an issue or action associated with or related to the  
161 auditor's statutory duties, including investigating a book or account of a county [~~officer, county~~  
162 ~~office, or other county entity~~] office, officer, department, division, court, or entity; and

163 (ii) may not conduct an investigation of an issue or action that is not associated with or  
164 related to the auditor's statutory duties.

165 (b) A county officer, employee, or other county administrative entity shall grant the  
166 county auditor complete and free access to a book requested by the county auditor in  
167 accordance with Subsection (1)(a)(i).

168 (c) A county auditor, with the assistance of the county or district attorney, may:

169 (i) administer an oath or affirmation; or

170 (ii) issue an administrative subpoena for a witness or document necessary to the  
171 performance of the auditor's statutory duties.

172 (2) If the county auditor, after a complete investigation, finds that a book or account of  
173 a county [~~officer, office, or other county administrative entity~~] office, officer, department,  
174 division, court, or entity is not kept in accordance to law, or that an [~~officer, office, or other~~  
175 ~~county administrative entity~~] office, officer, department, division, court, or entity has made an  
176 incorrect or improper financial report, the county auditor shall prepare a report of the auditor's  
177 findings and submit a copy of the report to the county executive.

178 (3) If a county auditor, after a complete investigation, finds that a justice court judge  
179 has not kept a book or account according to law, or that the justice court judge has made an  
180 incorrect or improper financial report, the auditor shall prepare a report of the auditor's findings  
181 and submit a copy of the report to the state court administrator, the county executive, and the  
182 county legislative body.

183 Section 6. Section 17-34-5 is amended to read:

184 **17-34-5. Budgeting, accounting for, and disbursing of funds -- Annual audit.**

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

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

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

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

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

199 (b) At all times these funds and any expenditures from these funds shall be separately  
200 accounted for and utilized only for the purposes of providing municipal-type services and  
201 functions to areas of the county outside the limits of incorporated towns or cities.

202 (2) To implement Subsection (1):

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

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

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

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

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

221 Section 7. **Repealer.**

222 This bill repeals:

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

224 Section **17-19a-204, Auditing services.**

225 Section **17-19a-206, Performance audit services.**