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**SENATE BILL NO. 555**

Offered January 9, 2008

Prefiled January 9, 2008

*A BILL to amend and reenact §§ 30-133, 30-134, and 30-137 of the Code of Virginia, relating to authorizing certain services currently performed by the Auditor of Public Accounts to be performed by independent certified public accountants.*

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 Referred to Committee on General Laws and Technology
 

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**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 30-133, 30-134, and 30-137 of the Code of Virginia are amended and reenacted as follows:**

§ 30-133. Duties and powers generally.

A. ~~The~~ *Except as otherwise provided in this chapter, the* Auditor of Public Accounts shall audit all the accounts of every state department, officer, board, commission, institution or other agency handling any state funds. In the performance of such duties and the exercise of such powers he may employ the services of certified public accountants; ~~provided the cost thereof shall not exceed such sums as may be available out of the appropriation provided by law for the conduct of his office.~~

B. The Auditor of Public Accounts shall review the information required in § 2.2-1501 to determine that state agencies are providing and reporting appropriate information on financial and performance measures, and the Auditor shall review the accuracy of the management systems used to accumulate and report the results. The Auditor shall report annually to the General Assembly the results of such audits and make recommendations, if indicated, for new or revised accountability or performance measures to be implemented for the agencies audited.

C. The Auditor of Public Accounts shall prepare, by November 1, a summary of the results of all of the audits and other oversight responsibilities performed for the most recently ended fiscal year. The Auditor of Public Accounts shall present this summary to the Senate Finance, House Appropriations and House Finance Committees on the day the Governor presents to the General Assembly the Executive Budget in accordance with §§ 2.2-1508 and 2.2-1509 or at the direction of the respective Chairman of the Senate Finance, House Appropriations or House Finance Committees at one of their committee meetings prior to the meeting above.

D. As part of his normal oversight responsibilities, the Auditor of Public Accounts shall incorporate into his audit procedures and processes a review process to ensure that the Commonwealth's payments to counties, cities, and towns under Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1 are consistent with the provisions of § 58.1-3524. The Auditor of Public Accounts shall report to the Governor and the Chairman of the Senate Finance Committee annually any material failure by a locality or the Commonwealth to comply with the provisions of Chapter 35.1 of Title 58.1.

E. The Auditor of Public Accounts when called upon by the Governor shall examine the accounts of any institution maintained in whole or in part by the Commonwealth and, upon the direction of the Comptroller, shall examine the accounts of any officer required to settle his accounts with him; and upon the direction of any other state officer at the seat of government he shall examine the accounts of any person required to settle his accounts with such officer.

F. Upon the written request of any member of the General Assembly, the Auditor of Public Accounts shall furnish the requested information and provide technical assistance upon any matter requested by such member.

G. In compliance with the provisions of the federal Single Audit Act Amendments of 1996, Public Law 104-156, the Joint Legislative Audit and Review Commission may authorize the Auditor of Public Accounts to audit biennially the accounts pertaining to federal funds received by state departments, officers, boards, commissions, institutions or other agencies.

H. 1. The Auditor of Public Accounts shall compile and maintain on its Internet website a searchable database providing certain state expenditure, revenue, and demographic information as described in this subsection. In maintaining the database, the Auditor of Public Accounts shall work with and coordinate his efforts with the Joint Legislative Audit and Review Commission in obtaining, summarizing, and compiling the information to avoid duplication of efforts. The database shall be updated each year by October 15 to provide the information required in this subsection for the 10 most recently ended fiscal years of the Commonwealth.

The online database shall be made available to citizens of the Commonwealth to allow public access

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59 to historical revenue collections and appropriations with related demographic information, to the extent  
60 that the information is available and provided to the Auditor of Public Accounts. All state departments,  
61 courts officers, boards, commissions, institutions, or other agencies of the Commonwealth shall furnish  
62 all information requested by the Auditor of Public Accounts and shall cooperate with him to the fullest  
63 extent.

64 For purposes of reporting information and implementing the database pursuant to this subsection, the  
65 Auditor of Public Accounts shall include all appropriated funds and other sources under the control of  
66 state-supported institutions of higher education, except for the activity of private gifts, including  
67 endowment funds and unrestricted gifts referenced in § 23-9.2. The exclusion of this activity does not  
68 affect the public access to these records unless otherwise specifically exempted by law.

69 2. The database shall contain the following for each of the 10 most recently ended fiscal years of the  
70 Commonwealth:

71 a. Major categories of spending by each secretariat and for major agencies;

72 b. The number of full-time state employees;

73 c. Total fiscal year revenues from state taxes, fees, and other charges, and total fiscal year revenues  
74 from state taxes, fees, and other charges computed on a per capita basis and as a percentage of personal  
75 income in the Commonwealth;

76 d. With regard to state taxes, fees, and other charges computed on a per capita basis and as a  
77 percentage of personal income, a comparison of such statistics for Virginia with the same statistics for  
78 other states;

79 e. Total fiscal year revenues from federal sources, including the major categories of spending for  
80 such revenues;

81 f. Total population and total population by various age groups including, but not limited to,  
82 school-age population and the population of persons 65 years of age and older;

83 g. Student enrollment in grades K through 12;

84 h. Enrollment in public institutions of higher education of the Commonwealth;

85 i. Enrollment in private institutions of higher education in the Commonwealth;

86 j. The annual prison population;

87 k. Virginia adjusted gross income and Virginia taxable income by various age groups;

88 l. The number of citizens in the Commonwealth receiving food stamps;

89 m. The number of driver's licenses issued;

90 n. The number of registered motor vehicles;

91 o. The number of full-time private sector employees;

92 p. The number of households;

93 q. The number of prepaid tuition contracts outstanding pursuant to Chapter 4.9 (§ 23-38.75 et seq.) of  
94 Title 23 and the estimated total liability under such contracts; and

95 r. Other data as the Auditor deems appropriate relating to the Commonwealth of Virginia.

96 3. By October 15 of each year, the Auditor shall also produce a paper copy or a computer file  
97 containing the information described in this subsection and shall distribute the copy or file to  
98 newspapers of general circulation in the Commonwealth. The distribution shall include the address of the  
99 Internet website for the searchable database.

100 § 30-134. Audit of accounts of city and county officers handling state funds; audit report;  
101 reimbursement of expenses.

102 A. At least once in every two years, and at other times as the Governor directs, the Auditor of Public  
103 Accounts, either in person or through his assistants, shall audit all accounts and records of every city  
104 and county official and agency in the Commonwealth handling state funds, making a detailed written  
105 report thereof to the Governor, the Joint Legislative Audit and Review Commission, and appropriate  
106 local officials within thirty days after each audit. Reports so made shall be public records.

107 B. Every city and county, the accounts and records of whose officials or agencies are audited in  
108 accordance with subsection A, shall reimburse the Commonwealth to the extent of one-half of the for  
109 the full expense connected with the audit subject to the provisions of subsection C, to be paid into the  
110 state treasury by the Auditor of Public Accounts. All such sums so repaid shall be placed by the  
111 Comptroller to the credit of the current appropriation made to the Auditor of Public Accounts and may  
112 be used by him for the purpose of carrying out the provisions of subsection A the duties of his office.

113 C. For each audit performed by the Auditor of Public Accounts pursuant to this section, the Auditor  
114 of Public Accounts may charge a fee for such services, which fee shall not exceed the reasonable cost  
115 for similar services provided by an independent certified public accountant licensed as defined in  
116 § 54.1-4400.

117 D. Notwithstanding any other provision in this section, each city and county official and agency of  
118 the Commonwealth in the executive branch of government handling state funds may elect to contract  
119 with an independent certified public accountant licensed, as defined in § 54.1-4400, to perform the audit  
120 described in subsection A in lieu of such audit being performed by the Auditor of Public Accounts. Any

independent certified public accountant performing such audit shall provide a detailed written report thereof to the city or county official or state agency contracting for the audit and to the Governor, Auditor of Public Accounts, Joint Legislative Audit and Review Commission, and appropriate local officials of such county or city within 30 days after each audit. Reports so made shall be public records. The provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall apply to any contract described herein.

Any independent certified public accountant performing such audit shall complete such audit within the time frame provided under law. In addition, in performing the audit, the independent certified public accountant shall comply with all policies and procedures provided under law or developed by the Auditor of Public Accounts for the auditing of state agencies or the accounts or records of local officials.

The provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), § 58.1-3, and all other applicable law shall apply to any audit performed pursuant to this section by an independent certified public accountant.

§ 30-137. Devising system of bookkeeping and accounting for local offices; costs.

A. The Auditor of Public Accounts, under the direction of the Joint Legislative Audit and Review Commission shall devise a modern, effective and uniform system of bookkeeping and accounting for the use of all county, city and town officials and agencies handling the revenues of the Commonwealth or of any political subdivision thereof. The Auditor of Public Accounts may approve any existing system.

B. The Auditor of Public Accounts, when requested by the governing body of any unit of local government, may make and establish a system of bookkeeping and accounting for such unit which shall conform to generally accepted accounting principles. He shall make and establish a uniform system of fiscal reporting for the treasurers or other chief financial officers, clerks of the courts and school divisions of all counties and cities, and all towns having a population of 3,500 or more and all towns constituting a separate school division regardless of population.

C. The cost of such service shall be borne by the county or city receiving the service of the Auditor of Public Accounts ~~and shall not exceed an amount sufficient to reimburse the Commonwealth for the actual cost to the Commonwealth of the service.~~ *The Auditor of Public Accounts may charge a fee for such services, which fee shall not exceed the reasonable cost for similar services provided by an independent certified public accountant licensed as defined in § 54.1-4400.* The fees so charged, upon an account rendered by the Auditor of Public Accounts, shall be remitted by the treasurer of the county or city out of any funds within his control, within thirty days to the State Treasurer, together with the account rendered by the Auditor of Public Accounts. The Auditor of Public Accounts shall pay into the state treasury the amount so received to the credit of the funds of the Auditor of Public Accounts ~~so that it may be available for carrying out the provisions of subsection B, which funds may be used by him for the purpose of carrying out the duties of his office.~~

**2. That it is the intent of the General Assembly that the savings accruing to the Commonwealth from any decrease in general fund appropriations to the Auditor of Public Accounts as a result of the provisions of this act shall be appropriated to executive branch agencies handling state funds to pay for auditing services.**