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HOUSE BILL NO. 1332

Offered January 9, 2013

Prefiled November 12, 2012

A BILL to amend and reenact § 15.2-2511 of the Code of Virginia, relating to local government audit; Auditor of Public Accounts.

Patrons—Farrell and Cole

Referred to Committee on Counties, Cities and Towns**Be it enacted by the General Assembly of Virginia:****1. That § 15.2-2511 of the Code of Virginia is amended and reenacted as follows:****§ 15.2-2511. Audit of local government records, etc.; Auditor of Public Accounts; audit of shortages.**

A. Localities shall have all their accounts and records, including all accounts and records of their constitutional officers, audited annually as of June 30 by an independent certified public accountant in accordance with the specifications furnished by the Auditor of Public Accounts. The certified public accountant shall present a detailed written report to the local governing body at a public session by the following December 31. Every locality shall contract for the performance of the annual audit not later than April 1 of each fiscal year and such contract shall incorporate the provisions of this section relating to audit specifications and report date. The report shall be preserved by the clerk of the local governing body, and shall be open to public inspection at all times by any qualified voter.

The accounts and records of any county or city officer listed in Article VII, Section 4 of the Constitution of Virginia, hereinafter referred to as "constitutional officers," shall be subject to the provisions of this section.

In the event a locality fails to obtain the annual audit prescribed by this subsection, the Auditor of Public Accounts may undertake the audit or may employ the services of certified public accountants and charge the full cost of such services to the locality. However, no part of the cost and expense of such audit shall be paid by any locality whose governing body has its accounts audited for the fiscal years in question as prescribed above and furnishes the Auditor of Public Accounts with a copy of such audit.

B. The Auditor of Public Accounts shall audit the accounts of local governments and constitutional officers only when (i) special circumstances require an audit, or (ii) there is suspected fraud or inappropriate handling of funds which may affect the financial interests of the Commonwealth. *However, the Auditor of Public Accounts shall also audit the accounts of a local government at any other time upon a majority vote of the local governing body, with all expenses of the audit to be borne by the requesting locality.* In all instances, such audits shall be carried out with the approval of the Joint Legislative Audit and Review Commission.

Any shortage existing in the accounts of the locality or constitutional officer, as ascertained by the audit, shall be made public within ~~thirty~~ 30 days after the shortage is discovered, and a brief statement thereof shall be sent by the Auditor of Public Accounts to the members and clerk of the local governing body and to the circuit court for the locality, and shall be filed in the clerk's office of such court.

C. The provisions of this section shall apply to all counties and cities, to all towns having a population of 3,500 or over, and to all towns constituting a separate school division regardless of their population.

INTRODUCED

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