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HOUSE BILL NO. 912

Offered January 25, 1994

A BILL to amend and reenact § 15.1-167 of the Code of Virginia and to amend and reenact the second enactment of Chapter 681 of the 1993 Acts of Assembly, relating to audit of local government and constitutional officers, records and accounts.

Patron—Croshaw

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:**1. That § 15.1-167 of the Code of Virginia is amended and reenacted as follows:**

§ 15.1-167. Audit of local government records, etc.; Auditor of Public Accounts; audit of shortages.

A. Local governments shall have all their accounts and records, including all accounts and financial records of their constitutional officers, audited annually by an independent certified public accountant in accordance with the specifications furnished by the Auditor of Public Accounts, as of June 30 of each year. 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 local government 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 financial 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. *Nothing in this section, however, shall be construed to authorize a certified public accountant conducting an audit pursuant to the provisions of this section to request or receive confidential taxpayer information relating to specific taxpayers, nor to summon or to request the records of, or to conduct any inspection of the specific property of, a specific taxpayer.*

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. In all instances, such audits shall be carried out with the approval of the Joint Legislative Audit and Review Commission.

In carrying out the audit activities which may be required for local government and constitutional officer accounts under 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 respective governments. However, no part of the cost and expense of such audit shall be paid by any local government 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.

Any shortage existing in the accounts of the local government or constitutional officer, as ascertained by the audit, shall be made public within thirty days after such 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 court having jurisdiction thereof, 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.

2. That the second enactment of Chapter 681 of the 1993 Acts of Assembly is amended and reenacted as follows:

2. That the provisions of this act shall be deemed to supersede any provision of state or local law which may be in conflict; *however, nothing in this act shall be construed to supersede the provisions of § 58.1-3 or otherwise to diminish or to remove any protection of the confidentiality of taxpayer information provided or required by law.*

INTRODUCED

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