

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 142

BY LOCAL GOVERNMENT COMMITTEE

AN ACT

1 RELATING TO AUDITS OF LOCAL GOVERNMENTAL ENTITIES; AMENDING SECTION  
2 67-450B, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE MINIMUM RE-  
3 QUIREMENTS FOR AN AUDIT; AND DECLARING AN EMERGENCY AND PROVIDING AN  
4 EFFECTIVE DATE.  
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 67-450B, Idaho Code, be, and the same is hereby  
8 amended to read as follows:

9 67-450B. INDEPENDENT FINANCIAL AUDITS OF LOCAL GOVERNMENTAL ENTITIES  
10 -- FILING REQUIREMENTS.

11 (1) (a) The requirements set forth in this section are minimum audit  
12 requirements for all local governmental entities, and include, without  
13 limitation, all cities, counties, authorities and districts orga-  
14 nized as separate legal and reporting entities under Idaho law, and  
15 include the councils, commissions and boards as appointed or elected  
16 and charged with fiscal management responsibilities of the local gov-  
17 ernmental entity.

18 (b) Audits under these requirements are to be performed by independent  
19 auditors in accordance with generally accepted governmental auditing  
20 standards, as defined by the United States general accountability of-  
21 fice. The auditor shall be employed on written contract.

22 (c) The entity's governing body shall be required to include in its an-  
23 nual budget all necessary expenses for carrying out the provisions of  
24 this section.

25 (d) The entity shall file one (1) copy of each completed audit report  
26 with the legislative services office within nine (9) months after the  
27 end of the audit period.

28 (2) The minimum requirements for any audit performed under the provi-  
29 sions of this section are:

30 (a) The governing body of a local governmental entity whose annual ex-  
31 penditures from all sources exceed ~~two hundred fifty thousand dollars~~  
32 ~~(\$250,000)~~ three hundred thousand dollars (\$300,000) shall cause a full  
33 and complete audit of its financial statements to be made each fiscal  
34 year.

35 (b) The governing body of a local governmental entity whose annual ex-  
36 penditures from all sources exceed ~~one hundred fifty thousand dollars~~  
37 ~~(\$150,000)~~ two hundred thousand dollars (\$200,000), but do not exceed  
38 ~~two hundred fifty thousand dollars (\$250,000)~~ three hundred thousand  
39 dollars (\$300,000) in the current year, shall have an annual audit or  
40 may elect to have its financial statements audited on a biennial basis.  
41 The first year that expenditures exceed ~~one hundred fifty thousand dol-~~  
42 ~~lars (\$150,000)~~ two hundred thousand dollars (\$200,000) is the first

1 year of the biennial audit period. The local governmental entity may  
2 continue the biennial audit cycle in subsequent years as long as the  
3 entity's annual expenditures during the first year of the biennial au-  
4 dit period do not exceed ~~two hundred fifty thousand dollars (\$250,000)~~  
5 three hundred thousand dollars (\$300,000). In the event that annual ex-  
6 penditures exceed ~~two hundred fifty thousand dollars (\$250,000)~~ three  
7 hundred thousand dollars (\$300,000) in the current year following a  
8 year in which a biennial audit was completed, the local governmental  
9 entity shall complete an annual audit. In the event that annual expen-  
10 ditures in the current year do not exceed ~~one hundred fifty thousand~~  
11 ~~dollars (\$150,000)~~ two hundred thousand dollars (\$200,000) following a  
12 year in which an annual or biennial audit was completed, the local gov-  
13 ernmental entity has no minimum audit requirement.

14 (c) The governing body of a local governmental entity whose annual  
15 expenditures from all sources do not exceed ~~one hundred fifty thousand~~  
16 ~~dollars (\$150,000)~~ two hundred thousand dollars (\$200,000) has no mini-  
17 mum audit requirements under this section.

18 (d) Federal audit requirements applicable because of expenditure of  
19 federal assistance supersede the minimum audit requirements provided  
20 in this section.

21 SECTION 2. An emergency existing therefor, which emergency is hereby  
22 declared to exist, this act shall be in full force and effect on and after  
23 July 1, 2025.