

IN THE SENATE

SENATE BILL NO. 1265

BY LOCAL GOVERNMENT AND TAXATION COMMITTEE

AN ACT

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

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

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

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

(1) (a) The requirements set forth in this section are minimum audit requirements for all local governmental entities, and include, without limitation, all cities, counties, authorities and districts organized as separate legal and reporting entities under Idaho law, and include the councils, commissions and boards as appointed or elected and charged with fiscal management responsibilities of the local governmental entity.

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

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

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

(2) The minimum requirements for any audit performed under the provisions of this section are:

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

(b) The governing body of a local governmental entity whose annual expenditures from all sources exceed ~~one hundred fifty thousand dollars (\$150,000)~~ two hundred thousand dollars (\$200,000), but do not exceed ~~two hundred fifty thousand dollars (\$250,000)~~ three hundred thousand dollars (\$300,000) in the current year, shall have an annual audit or may elect to have its financial statements audited on a biennial basis. The first year that expenditures exceed ~~one hundred fifty thousand dollars (\$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, 2024.