

Introduced by Senator Wyland

February 20, 2008

An act to amend Section 12430 of the Government Code, relating to audits.

LEGISLATIVE COUNSEL'S DIGEST

SB 1314, as introduced, Wyland. Audits.

Existing law imposes the duty to prepare audits that are necessary for the state to receive federal funds on the Controller, State Auditor, and Director.

This bill would make technical, nonsubstantive changes to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12430 of the Government Code is
2 amended to read:
3 12430. Annually, the Controller, ~~the~~ State Auditor, and ~~the~~
4 Director of the Department of Finance shall each prepare a plan
5 to meet their audit responsibilities. With respect to audits to fulfill
6 the requirements necessary for the receipt of federal funds, the
7 State Auditor shall be primarily responsible for financial audits,
8 ~~and~~ the Director of Finance or the Controller shall be primarily
9 responsible for compliance audits, and the Director of Finance
10 shall be primarily responsible for coordinating state agency internal
11 audits and determining when agencies are required to obtain
12 federally mandated audits. Upon completion of these audit plans,

1 the Controller, State Auditor, and Director of Finance shall meet
2 to review and discuss the plans with the purpose of coordinating
3 their audit efforts to avoid unnecessary duplication and negotiation
4 with federal agencies regarding federally mandated audits.

5 Subsequent to their review of the audit plans and negotiations
6 with federal agencies, if the Controller, ~~the~~ Director of Finance,
7 or ~~the~~ State Auditor determines that the proposed audit plan of the
8 other does not fulfill all audit requirements necessary for the receipt
9 of federal funds, they may expand the scope of their audit of state
10 agencies to meet the additional federal audit requirements. The
11 financial audit report issued by the State Auditor and the
12 compliance audit report issued by the Controller, ~~or~~ the Director
13 of Finance, or both are intended to fulfill federally mandated audit
14 requirements. These audit reports shall be performed in accordance
15 with the “Standards for Audits of Governmental Organizations,
16 Programs, Activities and Functions,” published by the Comptroller
17 General of the United States, and the standards published by the
18 American Institute of Certified Public Accountants.

19 Nothing in this section shall be construed to limit, restrict, or
20 otherwise infringe upon the duty of the State Auditor to conduct
21 annual financial audits pursuant to Section 10534 or to limit,
22 restrict, or otherwise infringe upon the authority of the Joint
23 Legislative Audit Committee to direct the State Auditor to conduct
24 any audit of state government pursuant to Chapter 6.5 (commencing
25 with Section 8540) of Division 1 of Title 2.