

ASSEMBLY BILL

No. 253

Introduced by Assembly Member Smyth

February 3, 2011

An act to amend Section 53891 of, and to add Section 53891.2 to, the Government Code, relating to local agencies.

LEGISLATIVE COUNSEL'S DIGEST

AB 253, as introduced, Smyth. Local agencies: audit guidelines prescribed by the Controller and appointment of the Committee on City Accounting Procedures by the Controller.

Existing law requires the Controller to prescribe uniform accounting and reporting procedures that are applicable to all local agencies, except to specified local agencies.

This bill would require the Controller to prescribe specified audit guidelines that would be applicable to all local agencies and conform to generally accepted auditing standards. This bill would require the Controller to prescribe these procedures and guidelines for counties, and uniform accounting and reporting procedures for cities, as specified.

This bill would establish the Committee on City Accounting Procedures that would consist of 10 members appointed by the Controller, with 5 of the members of the committee being city finance officers, 3 of the members of the committee being city managers, and 2 members of the committee being city council members. This bill would indicate that the members of the committee would serve without compensation, but would require the members to be reimbursed for their necessary traveling and other expenses incurred in attending committee meetings. This bill would require that these expenses be paid by the city of which the member is an officer.

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

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

1 SECTION 1. Section 53891 of the Government Code is
2 amended to read:

3 53891. The officer of each local agency who has charge of the
4 financial records shall furnish to the Controller a report of all the
5 financial transactions of the local agency during the next preceding
6 fiscal year. The report shall be furnished within 90 days after the
7 close of each fiscal year and shall be in the form required by the
8 Controller. If the report is filed in electronic format as prescribed
9 by the Controller, the report shall be furnished within 110 days
10 after the close of each fiscal year. However, in the case of local
11 agencies filing annual financial materials with the California Health
12 Facilities Commission or any successor thereto pursuant to Section
13 441.18 of the Health and Safety Code, the audited report shall be
14 furnished within 120 days after the close of each fiscal year.
15 Further, in the case of community redevelopment agencies filing
16 annual reports with the Controller pursuant to Section 33080 of
17 the Health and Safety Code, the report shall be furnished within
18 six months of the end of the agency's fiscal year.

19 The Controller shall prescribe uniform accounting and reporting
20 procedures which shall be applicable to all local agencies except
21 ~~cities, counties, and~~ school districts, and except for local agencies
22 which substantially follow a system of accounting prescribed by
23 the Public Utilities Commission of the State of California or the
24 Federal Power Commission. The procedures shall be adopted under
25 the provisions of Chapter 3.5 (commencing with Section 11340)
26 of Part 1 of Division 3 of Title 2. The Controller shall prescribe
27 ~~the~~ *these procedures and guidelines for special districts* only after
28 consultation with and approval of a local governmental advisory
29 committee established pursuant to Section 12463.1. Approval of
30 the procedures shall be by majority vote of the members present
31 at a meeting of the committee called by the chairperson thereof.

32 *The Controller shall prescribe audit guidelines that shall be*
33 *applicable to all local agencies and shall conform to generally*
34 *accepted auditing standards. These guidelines shall be adopted*
35 *by the committees established in Sections 12463.1, 30200, and*

1 53891.2. *The Controller shall prescribe these procedures and*
2 *guidelines for counties as required by Section 30200.*

3 *The Controller shall prescribe for cities uniform accounting and*
4 *reporting procedures conforming to the Generally Accepted*
5 *Accounting Principles (GAAP). The procedures shall be adopted*
6 *under the provisions of Chapter 3.5 (commencing with Section*
7 *11340) of Part 1 of Division 3 of Title 2 and shall be published in*
8 *the California Code of Regulations either in their entirety or by*
9 *reference. The Controller shall prescribe the procedures after*
10 *consultation with and approval by the Committee on City*
11 *Accounting Procedures. The vote of the committee to approve the*
12 *procedures may be conducted by mail at the discretion of the*
13 *chairperson of the committee. However, if one or more members*
14 *of the committee request a meeting for the purpose of voting, the*
15 *chairperson shall call a meeting of the committee as provided in*
16 *Section 53891.2.*

17 SEC. 2. Section 53891.2 is added to the Government Code, to
18 read:

19 53891.2. The Committee on City Accounting Procedures is
20 hereby created and shall consist of 10 members appointed by, and
21 who shall serve at the pleasure of, the Controller. Five of the
22 members shall be city finance officers, three of the members shall
23 be city managers, and two of the members shall be city council
24 members. The members of the committee shall serve without
25 compensation, but shall be reimbursed for their necessary traveling
26 and other expenses incurred in attending meetings of the
27 committee. These expenses shall be paid by the city of which the
28 member is an officer. The Controller shall designate a member of
29 the committee to serve as chairperson. The committee shall meet
30 at the call of the chairperson and each member shall be given
31 written notice of a meeting at least 10 days prior to the date of the
32 meeting.