

AMENDED IN ASSEMBLY MARCH 15, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 253**

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**Introduced by Assembly Member Smyth**  
*(Coauthors: Assembly Members Jeffries, Norby, and Portantino)*  
*(Coauthor: Senator Correa)*

February 3, 2011

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An act to amend Section 53891 of, and to add ~~Section 53891.2~~ Sections 53891.2 and 53891.3 to, the Government Code, relating to local agencies.

LEGISLATIVE COUNSEL'S DIGEST

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

Existing law requires the Controller to prescribe uniform accounting and reporting procedures that are applicable to ~~all local agencies, except to specified local agencies~~ *specified types of local agencies, including special districts.*

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.

*This bill would instead require the Controller to prescribe uniform accounting procedures that are applicable only to specified types of special districts, subject to these provisions. The bill would require the Controller to prescribe uniform accounting procedures for cities, subject to specified criteria, in collaboration with the Committee on City Accounting Procedures, which would be created by the bill.*

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 school districts, and except for local agencies *special districts, as*  
 22 *defined in Section 12463, except for special districts* which  
 23 substantially follow a system of accounting prescribed by the  
 24 Public Utilities Commission of the State of California or the

1 Federal Power Commission. The procedures shall be adopted under  
2 the provisions of Chapter 3.5 (commencing with Section 11340)  
3 of Part 1 of Division 3 of Title 2. The Controller shall prescribe  
4 these procedures ~~and guidelines for special districts~~ only after  
5 consultation with and approval of a local governmental advisory  
6 committee established pursuant to Section 12463.1. Approval of  
7 the procedures shall be by majority vote of the members present  
8 at a meeting of the committee called by the chairperson thereof.

9 ~~The Controller shall prescribe audit guidelines that shall be~~  
10 ~~applicable to all local agencies and shall conform to generally~~  
11 ~~accepted auditing standards. These guidelines shall be adopted by~~  
12 ~~the committees established in Sections 12463.1, 30200, and~~  
13 ~~53891.2. The Controller shall prescribe these procedures and~~  
14 ~~guidelines for counties as required by Section 30200.~~

15 ~~The Controller shall prescribe for cities uniform accounting and~~  
16 ~~reporting procedures conforming to the Generally Accepted~~  
17 ~~Accounting Principles (GAAP). The procedures shall be adopted~~  
18 ~~under the provisions of Chapter 3.5 (commencing with Section~~  
19 ~~11340) of Part 1 of Division 3 of Title 2 and shall be published in~~  
20 ~~the California Code of Regulations either in their entirety or by~~  
21 ~~reference. The Controller shall prescribe the procedures after~~  
22 ~~consultation with and approval by the Committee on City~~  
23 ~~Accounting Procedures. The vote of the committee to approve the~~  
24 ~~procedures may be conducted by mail at the discretion of the~~  
25 ~~chairperson of the committee. However, if one or more members~~  
26 ~~of the committee request a meeting for the purpose of voting, the~~  
27 ~~chairperson shall call a meeting of the committee as provided in~~  
28 ~~Section 53891.2.~~

29 SEC. 2. ~~Section 53891.2 is added to the Government Code, to~~  
30 ~~read:~~

31 ~~53891.2. The Committee on City Accounting Procedures is~~  
32 ~~hereby created and shall consist of 10 members appointed by, and~~  
33 ~~who shall serve at the pleasure of, the Controller. Five of the~~  
34 ~~members shall be city finance officers, three of the members shall~~  
35 ~~be city managers, and two of the members shall be city council~~  
36 ~~members. The members of the committee shall serve without~~  
37 ~~compensation, but shall be reimbursed for their necessary traveling~~  
38 ~~and other expenses incurred in attending meetings of the~~  
39 ~~committee. These expenses shall be paid by the city of which the~~  
40 ~~member is an officer. The Controller shall designate a member of~~

1 ~~the committee to serve as chairperson. The committee shall meet~~  
2 ~~at the call of the chairperson and each member shall be given~~  
3 ~~written notice of a meeting at least 10 days prior to the date of the~~  
4 ~~meeting.~~

5 *SEC. 2. Section 53891.2 is added to the Government Code, to*  
6 *read:*

7 *53891.2. The Controller shall, in collaboration with the*  
8 *Committee on City Accounting Procedures created pursuant to*  
9 *Section 53891.3, prescribe for cities uniform accounting and*  
10 *reporting procedures conforming to the generally accepted*  
11 *accounting principles. The procedures shall be adopted under the*  
12 *provisions of Chapter 3.5 (commencing with Section 11340) of*  
13 *Part 1 of Division 3 of Title 2 and shall be published in the*  
14 *California Code of Regulations either in their entirety or by*  
15 *reference.*

16 *SEC. 3. Section 53891.3 is added to the Government Code, to*  
17 *read:*

18 *53891.3. The Committee on City Accounting Procedures is*  
19 *hereby created and shall consist of 10 members appointed by, and*  
20 *who shall serve at the pleasure of, the Controller. Five of the*  
21 *members shall be city finance officers, three of the members shall*  
22 *be city managers, and two of the members shall be city council*  
23 *members, subject to the approval of their respective jurisdictions.*  
24 *The members of the committee shall serve without compensation,*  
25 *but shall be reimbursed for their necessary traveling and other*  
26 *expenses incurred in attending meetings of the committee. These*  
27 *expenses shall be paid by the city of which the member is an officer.*  
28 *The Controller shall designate a member of the committee to serve*  
29 *as chairperson. The committee shall meet at the call of the*  
30 *chairperson and each member shall be given written notice of a*  
31 *meeting at least 10 calendar days prior to the date of the meeting.*