

Introduced by Senator Rubio

February 24, 2012

An act to amend Section 8546.10 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1395, as introduced, Rubio. State Auditor: local government agency audit program.

Existing law authorizes the State Auditor to establish a high-risk local government agency audit program for the purpose of identifying, auditing, and issuing reports on any local government agency that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, and mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness.

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 8546.10 of the Government Code is
2 amended to read:
3 8546.10. (a) The State Auditor may establish a high-risk local
4 government agency audit program for the purpose of identifying,
5 auditing, and issuing reports on any local government agency,
6 including, but not limited to, any city, county, special district, or
7 any publicly created entity, whether created by the California
8 Constitution or otherwise, that the State Auditor identifies as being

1 at high risk for the potential of waste, fraud, abuse, or
2 mismanagement or that has major challenges associated with its
3 economy, efficiency, or effectiveness.

4 (b) In addition to identifying a local government agency as high
5 risk on the basis of weaknesses identified in audit and investigative
6 reports produced by the bureau, the State Auditor may consult
7 with the Controller, Attorney General, and other state agencies
8 that have oversight responsibilities over any local government
9 agency, in identifying local governments that are at high risk.

10 (c) The Bureau of State Audits shall be responsible for the state
11 costs associated with the high-risk local government agency audit
12 program, shall conduct the program as funds permit, and shall only
13 conduct the program to the extent that it does not interfere with
14 duties related to mandated audits and requests from the Joint
15 Legislative Audit Committee.

16 (d) (1) The State Auditor shall notify the Joint Legislative Audit
17 Committee whenever he or she identifies a local government as
18 at high risk.

19 (2) The State Auditor shall provide the Joint Legislative Audit
20 Committee, at a public hearing of the committee, an annual update
21 of all audits in progress.

22 (3) If a local government agency has taken significant corrective
23 measures for deficiencies identified by the State Auditor, that
24 agency shall be removed from the high-risk local government
25 agency audit program.

26 (e) Notwithstanding the requirements of Section 10231.5, if the
27 State Auditor establishes the program provided for in this section
28 and the State Auditor determines that a local agency is at high risk,
29 the State Auditor shall issue audit reports at least once every two
30 years with recommendations for improvement ~~in such a~~ *of that*
31 ~~local government so identified~~ *agency*.

32 (f) Audits conducted pursuant to this section shall be approved
33 by the Joint Legislative Audit Committee.