

ASSEMBLY BILL

No. 1248

Introduced by Assembly Member Cooley

February 22, 2013

An act to add Sections 12422.5 and 53064.9 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1248, as introduced, Cooley. Local agencies: internal control guidelines.

Existing law requires the Controller to superintend the fiscal concerns of the state, suggest plans for the improvement and management of the public revenues, and at least annually, summon county auditors to discuss problems with, among other things, the reporting of financial transactions of the counties.

This bill would require the Controller, on or before January 1, 2015, to develop internal control guidelines applicable to a local agency, as defined, to prevent and detect financial errors and fraud, based on specified standards and with input from any local agency and organizations representing the interests of local agencies. This bill would require the Controller to, by the same date, post the completed internal control guidelines on the Controller's Internet Web site and update them, as he or she deems necessary. This bill would require a local agency to comply with the guidelines established by the Controller, starting on January 1, 2016. By mandating local agencies to comply with new internal control guidelines established by the Controller, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

1 SECTION 1. Section 12422.5 is added to the Government
2 Code, to read:

3 12422.5. (a) On or before January 1, 2015, the Controller shall
4 develop internal control guidelines applicable to each local agency
5 to prevent and detect financial errors and fraud.

6 (b) The Controller shall develop the internal control guidelines
7 based on standards adopted by the American Institute of Certified
8 Public Accountants and with input from any local agency and
9 organizations representing the interests of local agencies, including,
10 but not limited to, the League of California Cities, the California
11 State Association of Counties, the California Special Districts
12 Association, and the California State Association of County
13 Auditors.

14 (c) On or before January 1, 2015, the Controller shall post the
15 completed internal control guidelines on the Controller’s Internet
16 Web site.

17 (d) The Controller shall update the internal control guidelines,
18 as he or she deems necessary, and maintain a current version on
19 the Internet Web site.

20 (e) For purposes of this section, “local agency” means a city,
21 county, city and county, special district, or any other local
22 governmental entity, except a school district.

23 SEC. 2. Section 53064.9 is added to the Government Code, to
24 read:

25 53064.9. Commencing on January 1, 2016, a local agency, as
26 defined in subdivision (e) of Section 12422.5, shall comply with
27 the internal control guidelines established by the Controller
28 pursuant to Section 12422.5.

1 SEC. 3. If the Commission on State Mandates determines that
2 this act contains costs mandated by the state, reimbursement to
3 local agencies and school districts for those costs shall be made
4 pursuant to Part 7 (commencing with Section 17500) of Division
5 4 of Title 2 of the Government Code.

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