

**ASSEMBLY BILL**

**No. 341**

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**Introduced by Assembly Member Achadjian**

February 13, 2015

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An act to amend Section 53891 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 341, as introduced, Achadjian. Financial affairs: reports.

Existing law requires the officer of each local agency, who has charge of the financial records of the local agency, to furnish to the Controller a report of all the financial transactions of the local agency during the next preceding fiscal year within 90 days of the close of each fiscal year, or within 110 days if the report is furnished in an electronic format.

This bill would require the report to contain underlying data from audited financial statements, as specified, if this data is available. This bill would extend the amount of time in which the report is required to be furnished to the Controller from 90 days to 180, days and from 110 days to 210 days.

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. (a) The Legislature finds and declares that the
- 2 existing timelines between the close of the fiscal year and the
- 3 requirement for local agencies to submit financial transaction
- 4 reports to the Controller within 90 or 110 days are often insufficient
- 5 to ensure the required audits of this data have been completed.

1 Submitting incomplete or unaudited data can create confusion for  
 2 the public and additional work for both the State Controller’s office  
 3 and the local agency staff to update information to reflect final  
 4 audits.

5 (b) It is the intent of the Legislature in enacting this act to adjust  
 6 the existing timelines described in subdivision (a) so that local  
 7 agencies have sufficient time to ensure that local financial  
 8 transaction reports submitted to the Controller and published online  
 9 by the Controller reflect final audited data. By making these  
 10 changes, it is the intent of the Legislature to improve the quality  
 11 of information provided to the public.

12 SEC. 2. Section 53891 of the Government Code is amended  
 13 to read:

14 53891. (a) The officer of each local agency who has charge  
 15 of the financial records shall furnish to the Controller a report of  
 16 all the financial transactions of the local agency during the next  
 17 preceding fiscal year. *The report shall contain underlying data*  
 18 *from audited financial statements prepared in accordance with*  
 19 *generally accepted accounting principles, if this data is available.*  
 20 The report shall be furnished within ~~90~~ 180 days after the close of  
 21 each fiscal year and shall be in the form required by the Controller.  
 22 If the report is filed in electronic format as prescribed by the  
 23 Controller, the report shall be furnished within ~~110~~ 210 days after  
 24 the close of each fiscal year. However, whenever a local agency  
 25 files annual financial materials with the Office of Statewide Health  
 26 Planning and Development or any successor thereto pursuant to  
 27 Section 128735 of the Health and Safety Code, the audited report  
 28 shall be furnished within 120 days after the close of each fiscal  
 29 year. Further, whenever a community redevelopment agency files  
 30 an annual report with the Controller pursuant to Section 33080 of  
 31 the Health and Safety Code, the report shall be furnished within  
 32 six months of the end of the agency’s fiscal year.

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34 (b) *The* Controller shall prescribe uniform accounting and  
 35 reporting procedures that shall be applicable to all local agencies  
 36 except cities, counties, and school districts, and except for local  
 37 agencies that substantially follow a system of accounting prescribed  
 38 by the Public Utilities Commission of the State of California or  
 39 the Federal Energy Regulatory Commission. The procedures shall  
 40 be adopted under ~~the provisions of~~ Chapter 3.5 (commencing with

1 Section 11340) of Part 1 of Division 3 of Title 2. The Controller  
2 shall prescribe the procedures only after consultation with and  
3 approval of a local governmental advisory committee established  
4 pursuant to Section 12463.1. Approval of the procedures shall be  
5 by majority vote of the members present at a meeting of the  
6 committee called by the chairperson thereof.

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