

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1431

H.P. 1050

House of Representatives, March 25, 2003

An Act To Update the Requirements of Counties' and Municipalities' Audit Reports

Submitted by the Department of Audit pursuant to Joint Rule 204.
Reference to the Committee on State and Local Government suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McLAUGHLIN of Cape Elizabeth.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 30-A MRSA §702, sub-§1**, as enacted by PL 1987, c. 737,
Pt. A, §2 and Pt. C, §106 and amended by PL 1989, c. 6, c. 9, §2
6 and c. 104, Pt. C, §§8 and 10, is further amended to read:

8 **1. Estimates sent to Legislature for approval; amendments.**

10 The county clerk shall record the estimates made under section
701 in a book. A copy of the estimates shall must be signed by
the ~~chairman~~ chair of the county commissioners and attested by
12 their clerk. The clerk shall transmit that copy to the office of
the Secretary of State on or before the first day of each
14 January, together with the county reports under section 952 952-A
for the 2 preceding years, to be presented by the Secretary of
State to the Legislature for its approval.

16 A. Except as otherwise provided, the Legislature may change
18 or alter specific line categories within the county
estimates before approving a budget.

20 **Sec. 2. 30-A MRSA §951, sub-§1**, as enacted by PL 1987, c. 737,
22 Pt. A, §2 and Pt. C, §106 and amended by PL 1989, c. 6, c. 9, §2
and c. 104, Pt. C, §§8 and 10, is further amended to read:

24 **1. Annual audit.** Every county shall have an audit made of
26 its accounts annually covering the last complete fiscal year by
the Department of Audit or by a certified public accountant
28 selected by the county commissioners. The audit must be
performed in accordance with generally accepted auditing
30 standards and procedures pertaining to governmental accounting
~~and must include a management letter covering the audit of the~~
32 ~~operational aspects of the county, as well as suggestions which~~
~~the auditor considers advisable for the proper administration of~~
34 ~~the county.~~ The auditor shall produce ~~at least those reports on~~
these forms an audit report that includes the items required in
36 section 952 952-A. When an audit is conducted by a certified
public accountant, the audit, upon completion, shall must be
38 forwarded to the Department of Audit. The audit, including the
management letter, is a public document.

40 **Sec. 3. 30-A MRSA §952**, as enacted by PL 1987, c. 737, Pt. A,
42 §2 and Pt. C, §106 and amended by PL 1989, c. 6, c. 9, §2 and c.
104, Pt. C, §§8 and 10, is repealed.

44 **Sec. 4. 30-A MRSA §952-A** is enacted to read:

46 **§952-A. Audit report**

48 **1. Report contents.** The report required pursuant to
50 section 951, subsection 1 must contain the following items:

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A. A management letter;

B. A letter of transmittal;

C. The independent auditor's report on the financial statements; and

D. All financial statements required by governmental accounting and financial reporting standards.

2. Copies for distribution. Copies of the report must be deposited in the county commissioners' office or a convenient place of business for distribution to the public and must be distributed to each municipality in the county.

3. Copies open for inspection. Copies of the report and all county records must be kept in the county commissioners' office and must be open to the inspection of the public during usual business hours.

Sec. 5. 30-A MRSA §5823, sub-§3, ¶A, as repealed and replaced by PL 1997, c. 142, §1, is amended to read:

A. The report must contain the following items:

(1) A management letter, if applicable;

(2) A letter of transmittal;

(3) The independent auditor's report on the financial statements; and

(4) ~~Financial statements that contain at a minimum;~~
All financial statements required by governmental accounting and financial reporting standards.

~~(a) A balance sheet;~~

~~(b) A statement of revenues and expenditures;~~

~~(c) A statement of budgeted revenues and expenditures versus actual revenues and expenditures; and~~

~~(d) All other financial statements required by governmental accounting and financial reporting standards.~~

SUMMARY

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4 This bill replaces outdated language regarding the contents
and requirements of county and municipal audit reports.