

# MAINE STATE LEGISLATURE

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Legislative Document

No. 796

S. P. 408

In Senate, February 26, 1937.

Reported by Senator Marden from Committee on Legal Affairs and laid on table to be printed under Joint Rules. 500 copies ordered printed.

ROYDEN V. BROWN, Secretary.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
THIRTY-SEVEN

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AN ACT to Provide for Annual Audits in Cities, Towns, Plantations and  
Village Corporations.

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

**Sec. 1. R. S., c. 5, § 97, amended.** Section 97 of chapter 5 of the revised statutes is hereby amended by striking out said section and inserting in place thereof the following section:

‘**Sec. 97. Annual audit of cities, towns, plantations and village corporations provided for.** The municipal officers of every city, town, plantation and village corporation in the state shall have, on or before September 30th, 1938, an audit of its accounts covering the last complete municipal year prior thereto, and shall cause subsequent audits of its accounts to be made annually thereafter, and the parties making said audits shall have access to all necessary papers, books and records. Said audits shall be made either by the state department of audit or by qualified public accountants. The term “qualified” as here used shall be construed to mean that said audit shall be conducted by an accountant or auditor whose competency shall be approved by the state auditor. Whenever any city, town, plantation, or village corporation shall have said audit made by a qualified public accountant, instead of the state department of audit, the city, town, plantation, or village corporation clerk shall immediately, upon the employment of such

qualified public accountant file the name and address with the state department of audit, and such qualified public accountant shall, within 10 days after making the report of the audit and recommendations to said city, town, plantation or village corporation file a certified copy thereof with the state department of audit on forms which said state department of audit shall prescribe, which said form shall provide for a uniform classification of accounts. Any failure on the part of a qualified public accountant to fulfill the provisions of this section shall result in a new audit to be made by the state department of audit. It shall be the duty of the state department of audit to see that the provisions contained herein are carried out, and if any city, town, plantation or village corporation fails to make provision for an audit of its accounts within the prescribed time, then the state department of audit shall cause said audit to be made.'

Sec. 2. R. S., c. 5, § 98, amended. Section 98 of chapter 5 of the revised statutes is hereby amended by striking out said section and inserting in place thereof the following section :

'Sec. 98. State uniform system may be installed; state department of audit may approve systems. Cities, towns, plantations and village corporations shall adopt and have installed an adequate accounting system approved by the state department of audit on or before the beginning of its municipal year next after December 31st, 1937; provided, that accounting systems now in use and approved by the state department of audit may be continued.'

Sec. 3. R. S., c. 5, § 102, amended. Section 102 of chapter 5 of the revised statutes is hereby amended to read as follows :

'Sec. 102. State department of audit to furnish schedules for uniform reports; to collect information pertaining to municipal affairs. The state ~~auditor~~ department of audit shall ~~annually~~ furnish to the ~~auditor or other~~ accounting officer of each city, town, or village corporation availing itself of the benefits of sections ~~ninety-seven to one hundred six~~ inclusive ~~schedules~~ qualified public accountant auditing the accounts of any city, town, plantation, or village corporation in accordance with the provisions of section 97, forms so arranged as to provide for uniform reports ~~returns~~ giving detailed statements of all receipts classified by sources, and all payments classified by objects, for its last fiscal year; a statement of the public debt showing the purpose for which each item of the debt was created and the provision made for the payment thereof; and a statement of assets and ~~liabilities~~ at the close of the fiscal year. The

~~state auditor and said department of audit may shall in all cases where cities, towns and village corporations shall avail themselves of the benefits of sections ninety-seven to one hundred six inclusive~~ prescribe standard forms intended to promote the systematic accounting of financial transactions and the publication of same in the report of the city, town, **plantation** or village corporation and it shall be the duty of the officers of all cities, towns, plantations and village corporations to keep and render to the state department of audit in the manner and form prescribed by said department accounts of all business transacted. ~~He~~ It shall collect from the proper local authorities such other information pertaining to municipal affairs as in ~~his~~ its judgment may be of public interest. **All accounting and other officials and custodians of public money of cities, towns, plantations or village corporations shall fill out properly and return promptly to the state department of audit all schedules transmitted by it to them.'**

Sec. 4. R. S., c. 5, § 106-A, additional. Chapter 5 of the revised statutes is hereby amended by adding a new section to be numbered section 106-A, and to read as follows:

'Sec. 106-A. Penalty. Any public official who violates any of the provisions of sections 97 to 106, inclusive, of this chapter, or neglects or refuses to perform any duty therein imposed shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$100, and such conviction shall be deemed cause for his removal from office.'