

MAINE STATE LEGISLATURE

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N I N E T Y - F I R S T L E G I S L A T U R E

Legislative Document

No. 158

S. P. 99

In Senate, January 27, 1943.

Taken from Table on motion by Senator Bishop of Sagadahoc and on further motion by the same senator, referred to Committee on Towns, sent down for concurrence and ordered printed.

ROYDEN V. BROWN, Secretary.

Presented by Senator Dow of Oxford on behalf Legislative Research Committee.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-THREE

AN ACT Relating to Annual Audit of Municipalities.

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 Section 97 of chapter 5 of the revised statutes, as amended, is hereby repealed and the following enacted in place thereof :

'Sec. 97. Annual audits of cities, towns, plantations and village corporations provided for. The municipal officers of every city, town, plantation and village corporation in the state shall, after the close of each municipal year, cause an audit in accordance with sound accounting principles to be made of its accounts covering the last complete municipal year.

Such audit shall be performed either by or under the direction of the state department of audit or by a public accountant selected by the municipality. For this purpose a public accountant is defined as a person having training and experience in accounting, who offers his services in accounting to the public generally, and the greater part of whose business income is derived from accounting work. Annually and for the assistance of municipal officers, the state auditor shall supply to each municipality which

has not already notified the state department of audit of its arrangement for an audit, a list of Maine persons and firms known by him to have had adequate training and experience in municipal auditing and who have previously made municipal audits satisfactory to the state department of audit, but such municipalities shall not be compelled to employ a person or firm on such list provided the person or firm employed and the audit so compiled meets all the requirements of this act.

Such audit shall be completed not later than the next succeeding November 1st after the close of the municipal year, provided, however, that whenever the state auditor shall determine that the failure to complete such audit on time is not the fault of the persons employed to make such audit, and that a satisfactory audit will be made, he may extend the time for completing such audit for such period as he may deem necessary and advisable. Whenever on November 1st next succeeding the close of the municipal year, or at the expiration of any extensions of time granted by the state auditor, the municipal officers of any municipality fail to procure an audit of the accounts of such municipality which has been accepted by the state department of audit, the department shall cause such audit to be made at the expense of such municipality.

Whenever an audit is made by other than the state department of audit, the municipal officers shall, within 10 days after the employment of a public accountant, notify the state auditor in writing of the person or firm engaged to make such audit.

Such public accountant shall within 10 days after completion of his audit file a certified copy of the same with the state department of audit. The department shall either notify the municipal officers and the public accountant of its acceptance of such audit, or shall request a revision of the same clearly specifying the requirements to be met in such revision, or shall request such additional information as it may require. No audit shall be deemed complete until such report shall have been finally accepted by the state department of audit.'

Sec. 2. R. S., c. 5, § 101, amended. Section 101 of chapter 5 of the revised statutes is hereby repealed and the following enacted in place thereof:

'Sec. 101. Expense of audit to be paid by the municipality. Charges for all municipal audits performed by the state department of audit shall be made against the various municipalities at such per diem rates as shall be approved by the governor and council, and shall include in addition all necessary travel expense connected therewith. In the event that reim-

bursement of such bills shall not be seasonably received by the state of Maine, the treasurer of state may issue his warrant requiring the assessors of the cities, towns, plantations, and village corporations concerned to assess an additional tax in the amount thereof, and such assessments shall be collected and paid to the treasurer of state in the same manner and subject to the same penalties and interest as state taxes.

All charges by public accountants for audits under the provisions of section 97 of this chapter shall be handled by the municipalities involved directly with the public accountants performing the audit.'

Sec. 3. R. S., c. 5, § 104, amended. Section 104 of chapter 5 of the revised statutes is hereby amended to read as follows:

'Sec. 104. Statistics of financial affairs of municipalities to be published by state auditor. The state auditor shall publish ~~biennially~~ annually statistics relative to the financial affairs of cities, towns, and village corporations and other information of public interest pertaining to municipal affairs, said part of his report to be printed and distributed as a separate document, if he believes it to be advisable.'