

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 434*

Short Title: Audits for Local Governments-AB.

(Public)

Sponsors: Senator Rand.

Referred to: Finance.

March 13, 2001

A BILL TO BE ENTITLED

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2 AN ACT TO TRANSFER FROM THE STATE AUDITOR TO THE LOCAL
3 GOVERNMENT COMMISSION THE RESPONSIBILITY FOR APPROVING
4 COMPLIANCE SUPPLEMENTS FOR AUDITS OF LOCAL GOVERNMENTS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 159-34(c) reads as rewritten:

7 "(c) Notwithstanding any other provision of law, except for Article 5A of Chapter
8 147 of the General Statutes pertaining to the State Auditor, all State departments and
9 agencies shall rely upon the single audit accepted by the secretary as the basis for
10 compliance with applicable federal and State regulations. All State departments and
11 agencies which provide funds to local governments and public authorities shall provide
12 the Commission with documents ~~approved by the State Auditor in a~~ that the
13 Commission finds are in the prescribed format describing standards of compliance and
14 suggested audit procedures sufficient to give adequate direction to independent auditors
15 retained by local governments and public authorities to conduct a single audit as
16 required by this section. The secretary shall be responsible for the annual distribution of
17 all such standards of compliance and suggested audit procedures proposed by State
18 departments and agencies and any amendments thereto. Further, the Commission with
19 the cooperation of all affected State departments and agencies shall be responsible for
20 the following:

21 (1) Procedures for the timely distribution of compliance standards
22 developed by State departments and agencies, reviewed and approved
23 by the ~~State Auditor Commission~~ to auditors retained by local
24 governments and public authorities.

25 (2) Procedures for the distribution of single audits for local governments
26 and public authorities such that they are available to all State
27 departments and agencies which provide funds to local units.

1 (3) The acceptance of single audits on behalf of all State departments and
2 agencies; provided that, the secretary may subsequently revoke such
3 acceptance for cause, whereupon affected State departments and
4 agencies shall no longer rely upon such audit as the basis for
5 compliance with applicable federal and State regulations."

6 **SECTION 2.** This act is effective when it becomes law.