

REFERENCE TITLE: school districts; accounting responsibility; threshold

State of Arizona
House of Representatives
Forty-ninth Legislature
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2009

HB 2463

Introduced by
Representatives Pratt, Crandall, Gowan, Mason: Barto, Court, Goodale,
Hendrix, Waters, Williams, Senator Melvin

AN ACT

AMENDING SECTION 15-914.01, ARIZONA REVISED STATUTES; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-914.01, Arizona Revised Statutes, is amended to
3 read:
4 15-914.01. Accounting responsibility; definition
5 A. School districts ~~with a student count of at least four thousand~~ may
6 apply to the state board of education to assume accounting responsibility.
7 B. A school district applying to the state board of education to
8 assume accounting responsibility shall develop and file with the department
9 of education an accounting responsibility plan and document in the plan:
10 1. Administrative and internal accounting controls designed to achieve
11 compliance with the uniform system of financial records and the objectives of
12 this section including:
13 (a) Procedures for approving, preparing and signing vouchers and
14 warrants.
15 (b) Procedures to ensure verification of administrators' and teachers'
16 certification records with the department of education for all classroom and
17 administrative personnel required to hold a certificate by the state board of
18 education pursuant to section 15-203 before issuing warrants for their
19 services.
20 (c) Procedures to account for all revenues, including allocation of
21 certain revenues to funds.
22 (d) Procedures for reconciling the accounting records monthly to the
23 county treasurer.
24 2. A compilation of resources required to implement accounting
25 responsibility, including, at a minimum, personnel, training and equipment,
26 and A comprehensive analysis of the budgetary implications of accounting
27 responsibility for the school district and the county treasurer.
28 C. Prior to January 1 of the fiscal year preceding the fiscal year of
29 implementation and before submitting an application to assume accounting
30 responsibility a school district shall apply for evaluation by the auditor
31 general. On completion of the evaluation the auditor general may recommend
32 approval or denial of accounting responsibility to the state board of
33 education. The evaluation by the auditor general shall be performed
34 contingent on staff availability and may be billed to the school district at
35 cost. Evaluation at a minimum shall include the following:
36 1. The most recent financial statements audited by an independent
37 certified public accountant.
38 2. The most recent report on internal control, report on compliance
39 and uniform system of financial records compliance questionnaire prepared by
40 an independent certified public accountant or procedural review completed by
41 the auditor general.
42 3. The working papers of the independent certified public accountant
43 responsible for auditing the school district, if deemed appropriate by the
44 auditor general.
45 4. A procedural review if deemed appropriate by the auditor general.

1 D. School districts that are approved by the state board of education
2 to assume accounting responsibility shall contract with an independent
3 certified public accountant for an annual financial and compliance
4 audit. The auditor general may reevaluate the school district annually based
5 on the audit to determine compliance with the uniform system of financial
6 records.

7 E. To assume accounting responsibility a school district shall notify
8 the county treasurer and the county school superintendent of its intention
9 before March 1 of the fiscal year preceding the fiscal year of
10 implementation. On notification, the county treasurer shall establish
11 acceptable standards for interface by school districts with the county
12 treasurer, including specifications for computer hardware and software
13 compatibility and procedures to ensure the capacity of each school district
14 for reconciliation of accounts with those of the county treasurer.

15 F. Any school district that fails to maintain accounting standards as
16 provided by the uniform system of financial records and THAT is found to be
17 in noncompliance with the uniform system of financial records by the state
18 board of education as provided in section 15-272 is not eligible to
19 participate in the program provided by this section.

20 G. Any school district that has assumed accounting responsibility
21 pursuant to this section, that fails to maintain accounting standards as
22 provided by the uniform system of financial records and THAT is found to be
23 in noncompliance with the uniform system of financial records by the state
24 board of education as provided in section 15-272 is no longer eligible to
25 participate in the program provided by this section.

26 H. For the purposes of this section, "accounting responsibility" means
27 authority for a school district to operate with full independence from the
28 county school superintendent with respect to revenues and expenditures,
29 including allocating revenues, monitoring vouchers, authorizing and issuing
30 warrants and maintaining and verifying staff records for certification and
31 payroll purposes.