
ASSEMBLY BILL NO. 179—ASSEMBLYMEN OSCARSON, HICKEY, ELLISON; ELLIOT ANDERSON, BOBZIEN, BUSTAMANTE ADAMS, DALY, EISEN, GRADY, HEALEY, KIRKPATRICK, KIRNER, LIVERMORE, MARTIN, NEAL, SWANK, WHEELER AND WOODBURY

FEBRUARY 27, 2013

JOINT SPONSORS: SENATORS CEGAVSKE AND GOICOECHEA

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing audits of certain regulatory boards of this State. (BDR 17-770)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to audits; revising requirements for certain regulatory boards of this State to prepare a balance sheet and hire a public accountant or accounting firm to conduct an audit of the board for a fiscal year; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires certain regulatory boards of this State which receive
2 \$50,000 or more in revenue during any fiscal year to prepare a balance sheet and
3 hire a public accountant or accounting firm to conduct an audit of the board's fiscal
4 records for that fiscal year under certain circumstances. Upon completion of the
5 audit, existing law requires the board to file a report of the audit with the
6 Legislative Auditor and the Chief of the Budget Division of the Department of
7 Administration on or before December 1 following the end of that fiscal year.
8 (NRS 218G.400)
9 This bill increases from \$50,000 to \$75,000 the amount of revenue received in
10 any fiscal year which would require a board to prepare a balance sheet and hire a
11 public accountant or accounting firm to conduct the audit and subsequently file a
12 report of the audit with the Legislative Auditor and the Chief of the Budget
13 Division.



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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 218G.400 is hereby amended to read as
2 follows:

3 218G.400 1. Except as otherwise provided in subsection 2,
4 each board created by the provisions of NRS 590.485 and chapters
5 623 to 625A, inclusive, 628, 630 to 644, inclusive, 648, 654 and 656
6 of NRS shall:

7 (a) If the revenue of the board from all sources is less than
8 ~~150,000~~ **75,000** for any fiscal year, prepare a balance sheet for
9 that fiscal year on the form provided by the Legislative Auditor and
10 file the balance sheet with the Legislative Auditor and the Chief of
11 the Budget Division of the Department of Administration on or
12 before December 1 following the end of that fiscal year. The
13 Legislative Auditor shall prepare and make available a form that
14 must be used by a board to prepare such a balance sheet.

15 (b) If the revenue of the board from all sources is ~~150,000~~
16 **75,000** or more for any fiscal year, engage the services of a
17 certified public accountant or public accountant, or firm of either of
18 such accountants, to audit all its fiscal records for that fiscal year
19 and file a report of the audit with the Legislative Auditor and the
20 Chief of the Budget Division of the Department of Administration
21 on or before December 1 following the end of that fiscal year.

22 2. In lieu of preparing a balance sheet or having an audit
23 conducted for a single fiscal year, a board may engage the services
24 of a certified public accountant or public accountant, or firm of
25 either of such accountants, to audit all its fiscal records for a period
26 covering two successive fiscal years. If such an audit is conducted,
27 the board shall file the report of the audit with the Legislative
28 Auditor and the Chief of the Budget Division of the Department of
29 Administration on or before December 1 following the end of the
30 second fiscal year.

31 3. The cost of each audit conducted pursuant to subsection 1
32 or 2 must be paid by the board that is audited. Each such audit must
33 be conducted in accordance with generally accepted auditing
34 standards, and all financial statements must be prepared in
35 accordance with generally accepted principles of accounting for
36 special revenue funds.

37 4. Whether or not a board is required to have its fiscal records
38 audited pursuant to subsection 1 or 2, the Legislative Auditor shall
39 audit the fiscal records of any such board whenever directed to do so
40 by the Legislative Commission. When the Legislative Commission
41 directs such an audit, the Legislative Commission shall also
42 determine who is to pay the cost of the audit.



1 5. A person who is a state officer or employee of a board is
2 guilty of nonfeasance if the person:

3 (a) Is responsible for preparing a balance sheet or having an
4 audit conducted pursuant to this section or is responsible for
5 preparing or maintaining the fiscal records that are necessary to
6 prepare a balance sheet or have an audit conducted pursuant to this
7 section; and

8 (b) Knowingly fails to prepare the balance sheet or have the
9 audit conducted pursuant to this section or knowingly fails to
10 prepare or maintain the fiscal records that are necessary to prepare a
11 balance sheet or have an audit conducted pursuant to this section.

12 6. In addition to any other remedy or penalty, a person who is
13 guilty of nonfeasance pursuant to this section forfeits the person's
14 state office or employment and may not be appointed to a state
15 office or position of state employment for a period of 2 years
16 following the forfeiture. The provisions of this subsection do not
17 apply to a state officer who may be removed from office only by
18 impeachment pursuant to Article 7 of the Nevada Constitution.

19 **Sec. 2.** This act becomes effective on July 1, 2013.

