

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

Joint Sponsors: Senators Cegavske and Goicoechea

CHAPTER.....

AN ACT relating to audits; revising requirements for certain regulatory boards of this State to prepare a balance sheet or 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:

Existing law, with certain exceptions, requires certain regulatory boards of this State which: (1) receive less than \$50,000 in revenue during a fiscal year to prepare a balance sheet for that fiscal year; or (2) receive \$50,000 or more in revenue during any fiscal year to hire a public accountant or accounting firm to conduct an audit of the board's fiscal records for that fiscal year. Upon completion of the balance sheet or audit, existing law requires the board to file the balance sheet or a report of the audit with the Legislative Auditor and the Chief of the Budget Division of the Department of Administration on or before December 1 following the end of that fiscal year. (NRS 218G.400)

This bill increases from \$50,000 to \$75,000 the amount of revenue received in any fiscal year for the purpose of determining whether a board is required to prepare a balance sheet or hire a public accountant or accounting firm to conduct the audit and subsequently file a report of the audit with the Legislative Auditor and the Chief of the Budget Division. This bill also provides that a board which: (1) receives less than \$75,000 in revenue; (2) is required to submit certain quarterly reports to the Director of the Legislative Counsel Bureau; and (3) fails to submit those reports, must hire a public accountant or accounting firm to conduct an audit of the board's fiscal records rather than preparing a balance sheet.

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

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

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

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

(a) If the revenue of the board from all sources is less than ~~[\$50,000]~~ ***\$75,000*** for any fiscal year ~~†~~ ***and, if the board is a***



regulatory body pursuant to NRS 622.060, the board has submitted to the Director of the Legislative Counsel Bureau for each quarter of that fiscal year the information required by NRS 622.100, prepare a balance sheet for that fiscal year on the form provided by the Legislative Auditor and file the balance sheet with the Legislative Auditor and the Chief of the Budget Division of the Department of Administration on or before December 1 following the end of that fiscal year. The Legislative Auditor shall prepare and make available a form that must be used by a board to prepare such a balance sheet.

(b) If the revenue of the board from all sources is ~~150,000~~ *\$75,000* or more for any fiscal year, *or if the board is a regulatory body pursuant to NRS 622.060 and has failed to submit to the Director of the Legislative Counsel Bureau for each quarter of that fiscal year the information required by NRS 622.100,* engage the services of a certified public accountant or public accountant, or firm of either of such accountants, to audit all its fiscal records for that fiscal year and file a report of the audit with the Legislative Auditor and the Chief of the Budget Division of the Department of Administration on or before December 1 following the end of that fiscal year.

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

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

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



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

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

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

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

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

