

HOUSE BILL No. 4044

January 21, 2015, Introduced by Rep. Johnson and referred to the Committee on Local Government.

A bill to amend 1968 PA 2, entitled
"Uniform budgeting and accounting act,"
by amending section 5 (MCL 141.425), as amended by 1996 PA 146.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) A local unit having a population of less than
2 4,000 shall obtain an audit of its financial records, accounts, and
3 procedures not less frequently than biennially. However, if any
4 audit under this subsection discloses a material deviation by the
5 local unit from generally accepted accounting practices or from
6 applicable rules and regulations of a state department or agency or
7 discloses any fiscal irregularity, defalcation, misfeasance,
8 nonfeasance, or malfeasance, the department of treasury may require
9 an audit to be conducted in the next year.

1 (2) ~~A~~SUBJECT TO SUBSECTION (3), A local unit having a
2 population of 4,000 or more shall obtain an annual audit of its
3 financial records, accounts, and procedures.

4 (3) A LOCAL UNIT THAT IS AN AUTHORITY WITH AN ANNUAL BUDGET OF
5 LESS THAN \$50,000.00 SHALL OBTAIN AN AUDIT OF ITS FINANCIAL
6 RECORDS, ACCOUNTS, AND PROCEDURES NOT LESS FREQUENTLY THAN
7 BIENNIALY. HOWEVER, IF ANY AUDIT UNDER THIS SUBSECTION DISCLOSES A
8 MATERIAL DEVIATION BY A LOCAL UNIT DESCRIBED IN THIS SUBSECTION
9 FROM GENERALLY ACCEPTED ACCOUNTING PRACTICES OR FROM APPLICABLE
10 RULES AND REGULATIONS OF A STATE DEPARTMENT OR AGENCY OR DISCLOSES
11 ANY FISCAL IRREGULARITY, DEFALCATION, MISFEASANCE, NONFEASANCE, OR
12 MALFEASANCE, THE DEPARTMENT OF TREASURY MAY REQUIRE AN AUDIT TO BE
13 CONDUCTED IN THE NEXT YEAR.