

UNIFORM SYSTEM OF ACCOUNTING (EXCERPT)
Act 71 of 1919

21.45 State treasurer; examination of accounts; annual audit; minimum auditing procedures and standards; report; filing copy of audit report and report of auditing procedures; extension; contents of audit report; performance of audit by certified public accountant; "chief administrative officer" defined.

Sec. 5. (1) The state treasurer is the supervisor of the accounts of all county offices. The state treasurer may examine, or cause to be examined, the books, accounts, and financial affairs of each county office.

(2) A county shall obtain an annual audit of its financial records, accounts, and procedures and may retain certified public accountants to perform the audits. If a county fails to provide for an audit, the state treasurer shall either conduct the audit or appoint a certified public accountant to perform the audit. The entire cost of any audit shall be borne by the county.

(3) The state treasurer shall prescribe minimum auditing procedures and standards, and these shall conform as nearly as practicable to generally accepted auditing standards and procedures established by the American institute of certified public accountants.

(4) A report of the auditing procedures applied in each audit shall be prepared on a form provided for this purpose by the state treasurer. The state treasurer may require that the audit report, or the report of auditing procedures, or both, that are required by this subsection to be filed with the state treasurer be filed in an electronic format prescribed by the state treasurer.

(5) One copy of every audit report and 1 copy of the report of auditing procedures applied shall be filed with the state treasurer.

(6) The copy of the audit report and the copy of the report of auditing procedures applied required by subsection (5) shall be filed with the state treasurer within 6 months after the end of the fiscal year of a county for which an audit has been performed under this section. The chief administrative officer of a county may request an extension of the filing date from the state treasurer, and the state treasurer may grant the request for reasonable cause. A chief administrative officer who requests an extension under this subsection shall, within 10 days of making the request, inform the governing body of the county in writing of the requested extension.

(7) Every audit report required under this section shall do all of the following:

(a) State that the audit has been conducted in accordance with generally accepted auditing standards and with the standards prescribed by the state treasurer.

(b) State that financial statements in the audit reports have been prepared in accordance with generally accepted accounting principles and with applicable rules and regulations of any state department or agency. Any deviations from such principles, rules, or regulations shall be described in detail.

(c) Disclose any material deviations by the county from generally accepted accounting practices or from applicable rules and regulations of any state department or agency.

(d) Disclose any fiscal irregularities including, but not limited to, any defalcations, misfeasance, nonfeasance, or malfeasance that came to the auditor's attention.

(8) A financial audit of a county that is performed by a certified public accountant in a manner consistent with auditing procedures and standards established by the state treasurer and that is filed with the state treasurer shall constitute an audit of county accounts by competent state authority for purposes of section 21 of article IX of the state constitution of 1963.

(9) As used in this section, "chief administrative officer" means that term as used in section 2b(3)(f) of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.422b.

History: 1919, Act 71, Imd. Eff. Apr. 15, 1919;—Am. 1921, Act 187, Imd. Eff. May 17, 1921;—CL 1929, 303;—CL 1948, 21.45;—Am. 1963, Act 59, Eff. Oct. 2, 1953;—Am. 1993, Act 196, Eff. Dec. 28, 1994;—Am. 2002, Act 370, Imd. Eff. May 24, 2002;—Am. 2009, Act 68, Imd. Eff. July 9, 2009.

Compiler's note: Section 2 of Act 196 of 1993 provides as follows:

"Section 2. This amendatory act shall not take effect unless the state administrative board certifies in writing to the secretary of state by December 31, 1994 that an agreement for the transfer of all or substantially all of the assets and the assumption of all or substantially all of the liabilities of the state accident fund has been consummated with a permitted transferee pursuant to the requirements of section 701a of the worker's disability compensation act of 1969, Act No. 317 of the Public Acts of 1969, being section 418.701a of the Michigan Compiled Laws."