

AMENDED

ARIZONA STATE SENATE
RESEARCH STAFF



TO: MEMBERS OF THE SENATE
GOVERNMENT REFORM

DATE: March 7, 2012

SUBJECT: Strike everything amendment to H.B. 2408, relating Pima county special audit

BILL BOYD
LEGISLATIVE RESEARCH ANALYST
GOVERNMENT REFORM &
BORDER SECURITY, FEDERALISM & STATES'
SOVEREIGNTY COMMITTEES
Telephone: (602) 926-3171
Facsimile: (602) 926-3833

Purpose

Directs the Auditor General to complete a special audit of the 1997, 2004, and 2006 Pima County general obligation bond programs.

Background

According to their website, the Office of the Auditor General serves as an independent source of impartial information concerning state and local governmental entities and provides specific recommendations to improve the operations of those entities. To fulfill its statutory duties, the Office must

- a) ascertain whether public entities are making wise use of their resources—public money, personnel, property, equipment, and space;
- b) determine whether public entities are complying with applicable laws, regulations, and governmental accounting and financial and reporting standards;
- c) define standards and establish procedures for accounting and budgeting, as the Legislature requires; and
- d) provide technical assistance to state and local governmental entities.

The auditor general is assisted in fulfilling office responsibilities by a Deputy and nearly 200 employees organized into four operating divisions: financial audit, performance audit, accounting services, and school audits. These divisions are supported by a general counsel and administrative, information technology services, and quality control groups. The Office has audit responsibility for state agencies, counties, universities, community college districts, and school districts. The Office also completes highly specific research and investigative projects in response to legislative requests.

A.R.S § 41-1279.03 states that the Auditor General also performs special audits designated pursuant to law if the Auditor General determines that there are adequate monies appropriated to complete the audit.

According to the Auditor General, the cost of the special audit is estimated to be about \$150,000.

Provisions

1. Directs the Auditor General to complete a special audit of the 1997, 2004, and 2006 Pima County general obligation bond programs.
2. Requires the special audit to include:
 - a) a description of the general obligation bond programs including the role of the Pima County Bond Advisory Committee and cities and towns within Pima County in administering the programs;
 - b) a comparison of the Pima County general obligation bond programs to general obligation bond programs administered by other Arizona counties;
 - c) a comparison of the amounts and uses of funds as approved by the voters and the Pima County Bond Advisory Committee to the actual amounts and uses of funds;
 - d) a comparison of the timing of projects as approved by the voters to the actual timing of projects;
 - e) an analysis of Pima County's explanation included in Board of Supervisors meeting minutes for each change in amount or use of funds and for each change in project delivery timing, including in each instance whether there is any reason to believe or conclude that Pima County changed the amounts or uses of funds or the timing of projects to reward or to punish an entity, party, or official who stood to benefit from or be affected by the project;
 - f) a schedule of the dollar amount of bonds issued under the 1997, 2004, and 2006 Pima County general obligation bond programs and a schedule of the geographic location and dollar amount of the projects actually delivered; and
 - g) for each Pima County general obligation bond program, a determination of the amount of secondary property tax attributable to each city and town and to unincorporated areas of Pima County, and the total expenditure of funding in each city and town and in the unincorporated areas of Pima County.
3. Becomes effective on the general effective date.

Amendments Adopted by the Committee

- Adopted the strike everything amendment.

Senate Action

GR 3/7/12 DPA/SE 4-2-1-0

BB/ly