

40A:5-4

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 40A:5-4

(Annual audit--
counties &
municipalities)

LAWS OF: 1991

CHAPTER: 216

Bill No: S985

Sponsor(s): Cowan

Date Introduced: Pre-filed

Committee: Assembly: County Government

Senate: County & Municipal Government

Amended during passage: Yes Amendments during passage
denoted by asterisks.

Date of Passage: Assembly: May 2, 1991

Senate: March 29, 1990

Date of Approval: July 26, 1991

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/SLJ

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator COWAN

1 AN ACT concerning county and municipal annual audits and
2 amending N.J.S.40A:5-4.

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4 BE IT ENACTED *by the Senate and General Assembly of the*
5 *State of New Jersey:*

6 1. N.J.S. 40A:5-4 is amended to read as follows:

7 40A:5-4. The governing body of every local unit shall cause an
8 annual audit of its books, accounts and financial transactions to
9 be made and completed within [5] six months after the close of
10 its fiscal year [and for that purpose shall employ a registered
11 municipal accountant of New Jersey or may enter into an
12 agreement with the director for an annual audit to be made by
13 qualified employees of the Bureau of Financial Regulation and
14 Assistance in the Department of the Treasury, and the local unit
15 shall pay to the director, for deposit into the State Treasury, a
16 fee for such audit based on the time spent therefor, which fee
17 shall be at the established rate]. The governing body of every
18 local unit may by resolution petition the Director of the Division
19 of Local Government Services in the Department of Community
20 Affairs for an extension to complete and file the annual audit
21 with the division. Upon good cause being shown the director may
22 grant an extension upon whatever terms or conditions he may
23 deem reasonable. The determination of the director in the
24 granting of an extension is final.

25 The governing body of every local unit ¹[may] shall¹ employ a
26 registered municipal accountant of New Jersey to prepare its
27 annual audit or it ¹[may] shall¹ enter into an agreement with the
28 Director of the Division of Local Government Services for an
29 annual audit to be made by qualified employees of the division.
30 The director shall establish a fee based upon the time spent and
31 other expenses incurred by qualified employees of the division
32 when conducting the annual audit for a local unit. The local unit
33 shall upon request for payment for audit services, forward a
34 check to the director, payable to the State Treasurer.

35 (cf: P.L.1977, c.396, s.1)

36 2. This act shall take effect immediately.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACG committee amendments adopted October 1, 1990.

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LOCAL BUDGET AND FINANCE

Extends time for completion of annual audit by county or municipality.

STATEMENT

This bill extends the time within which a county or municipality must complete its annual audit from five months to six months after the close of its fiscal year. The bill also allows the Director of the Division of Local Government Services to grant an extension of the annual audit deadline. The director is authorized by the bill to establish a fee for the conducting of the annual audit by the Division of Local Government Services. The county or municipality has the option to retain its own municipal accountant to conduct the audit.

LOCAL BUDGET AND FINANCE

Extends time for completion of annual audit by county or municipality.

ASSEMBLY COUNTY GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 985

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 1, 1990

The Assembly County Government Committee reports favorably and with committee amendments Senate Bill No. 985.

Senate Bill No. 985, as amended by the committee, extends the time within which a county or municipality must complete its annual audit from five months to six months after the close of its fiscal year. The bill also allows the Director of the Division of Local Government Services to grant an extension of the annual audit deadline. The county or municipal governing body is required either to retain its own registered municipal accountant to conduct the audit or to enter into an agreement with the Director of the Division of Local Government Services for an annual audit to be made by qualified employees of the division.

Prior to being amended by the committee, the bill gave local governing bodies the option to employ its own registered municipal accountant or to arrange for its audit to be conducted by the division.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 985

STATE OF NEW JERSEY

DATED: FEBRUARY 5, 1990

The Senate County and Municipal Government Committee reports favorably Senate Bill No. 985.

Senate Bill No. 985 extends the time within which a county or municipality must complete its annual audit from five months to six months after the close of its fiscal year. The bill also allows the Director of the Division of Local Government Services to grant an extension of the annual audit deadline. The director is authorized by the bill to establish a fee for the conducting of the annual audit by the Division of Local Government Services. The county or municipality has the option to retain its own municipal accountant to conduct the audit.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.