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# ARIZONA TAX RESEARCH ASSOCIATION

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## **ATRA SUPPORTS SB 1074** *Transparency in Local Government Audits*

### **Background**

The budgeting process of counties, community colleges, cities and towns is a very public process in which the governing bodies discuss their spending plans for the ensuing fiscal year. Current budget laws require these governing bodies to hold several public meetings that allow for public input prior to the adoption of final budgets.

Within nine months following the end of the fiscal year, local governments are required to have their expenditures audited and filed with the Office of the Auditor General. In contrast to the budget process, there is no requirement that these annual audits be discussed in a public setting, only that they are posted on their websites. Consequently, it is common for these audits to go unnoticed, many times even among members of the governing boards.

An *ATRA May 2020 Newsletter* reported on several instances in which the findings of county audits reflected the misuse or failure to appropriately account for public monies by local governments. In some cases, these inappropriate expenditures occurred at the leadership level and went unnoticed for several years.

### **Purpose for ATRA'S Support**

SB1074 requires local governments to have the auditor who conducted the audit to present any findings to the governing body in a public meeting and to require the governing body to accept the audit without the use of a consent agenda.

Audits are necessary in order to make local governments accountable for the expenditure of taxpayer dollars. For audits to be relevant, they should be publicly disclosed to the governing boards so that they can make changes to their policies and processes to remedy any audit findings in an expeditious manner.

## **ATRA ASKS LAWMAKERS TO SUPPORT SB1074!**