

No. 116

AN ACT

Amending the act of May 4, 1927 (P. L. 519), entitled "An act concerning boroughs, and revising, amending, and consolidating the law relating to boroughs," authorizing any borough to provide for the audit of its accounts by certain persons or firms.

The Borough Code.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Clause VII., section 1005, act of May 4, 1927, P. L. 519, reenacted and amended July 10, 1947, P. L. 1621, and amended July 12, 1961, P. L. 582, further amended.

Section 1. Clause VII. of section 1005, act of May 4, 1927 (P. L. 519), known as "The Borough Code," reenacted and amended July 10, 1947 (P. L. 1621) and amended July 12, 1961 (P. L. 582), is amended to read:

Section 1005. Powers of Council.—The council of the borough shall have power:

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VII. To [employ either] *provide, by ordinance passed by a two-thirds vote of the entire number of councilmen elected, for the appointment of an auditor who shall be a certified public accountant, [or] a firm of certified public accountants, a competent independent public accountant, [by a two-thirds vote of the entire number of councilmen elected, such certified public accountant or a competent independent public accountant to act in addition to and not in place of the auditors or controller of the borough, or to employ a certified public accountant or a competent independent public accountant to audit the accounts of the borough and the borough officers, if a petition has been presented to the council signed by qualified registered electors of the borough equal to at least five per centum (5%) of the highest vote cast for any office in the borough at the last preceding municipal election requesting such appointment and stating the reason the appointment is requested. The petition shall contain an affidavit signed by the person circulating it that each person signing the petition is a registered elector residing within the borough and shall give the name and address of each signer.] or a firm of independent public accountants. Where such an ordinance has been so adopted, such auditor shall be appointed, annually, by resolution before the commencement of a fiscal year, to audit the accounts and other evidences of financial transactions of the borough and borough officers for the fiscal year then closing, and shall submit such audit report to council.* When [a certified public accountant or a competent independent public accountant] *an auditor* is appointed as herein provided [upon petition to the borough council by qualified registered electors of the borough], *the*

office of elected borough auditor is hereby abolished although the borough auditors then in office shall continue to hold their office during the term to which elected and the borough auditors or controller shall not audit, settle or adjust the accounts audited by such appointee but shall perform the other duties of their office.

When a certified public accountant or a competent independent public *accountant is employed under the provisions of this clause [upon petition to the borough council by qualified registered electors of the borough], the certified public accountant or the competent independent public accountant shall have the powers and duties and be subject to the same penalties as auditors in so far as such powers, duties and penalties are applicable to the functions which the certified public accountant or the competent independent public accountant is appointed to perform. The report of the certified public accountant or the competent independent public accountant is subject to appeals the same as reports of auditors. The compensation of the certified public accountant or the competent independent public accountant shall be fixed by council *at the instance of employment* and paid out of borough funds.

Whenever any borough has provided by ordinance for the audit of its accounts by an appointed auditor, the borough shall have the right at any time to repeal said ordinance, and thereupon the office of appointed auditor shall be abolished, and said borough shall have the further right at the next municipal election following the repeal of said ordinance to elect three auditors, one for a term of two years, one for a term of four years, and one for a term of six years, from the first Monday of January succeeding such election, which auditors so elected shall succeed the appointed auditor and shall have and possess all the powers and perform all the duties provided in this act for elected auditors.

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Section 2. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 3d day of July, A. D. 1963.

WILLIAM W. SCRANTON

* "accountant" in original.