

## No. 2019-99

## AN ACT

HB 1203

Amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in municipal authorities, further providing for money of authority.

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

Section 1. Section 5612(b) of the Title 53 of the Pennsylvania Consolidated Statutes, amended May 1, 2019 (P.L.25, No.4), is amended to read:

§ 5612. Money of authority.

\* \* \*

(b) Report.—*A required annual report shall be published in accordance with the following:*

(1) Every authority shall file, on or before 180 days following the end of its fiscal year, an annual report of its fiscal affairs covering the preceding fiscal year with the Department of Community and Economic Development and with the municipality or municipalities creating the authority on forms prepared and distributed by the Department of Community and Economic Development. The reports shall also be provided, and may be provided electronically, to any other municipality that has residents served by the authority.

(2) Every authority shall have its books, accounts and records audited annually by a certified public accountant, and a copy of [his] *the* audit report shall be filed in the same manner and within the same time period as the annual report. *The audit shall comply with the following, if applicable:*

(i) *The generally accepted government auditing standards, including the standards published by the Government Accountability Office.*

(ii) *The Single Audit Act of 1984 (31 U.S.C. § 7501 et seq.).*

(iii) *2 CFR Pt. 200 (relating to uniform administrative requirements, cost principles, and audit requirements for Federal awards).*

(iv) *Any other Federal or State requirements for an audit relating to the finances of an authority.*

(3) A concise financial statement shall be published annually at least once in a newspaper of general circulation in the municipality where the principal office of the authority is located. If the publication is not made by the authority, the municipality shall publish such statement at the expense of the authority.

(4) If the authority fails to make such an audit *or if the municipality determines that there is a need for a review*, then the controller, auditor or accountant designated by the municipality is hereby authorized and empowered from time to time to examine [at the expense of the

**authority] the accounts and books of it, including its receipts, *billing systems*, disbursements, [contracts] *transparency of contracts and how the contracts are awarded*, leases, sinking funds, investments, *compliance with relevant Federal and State statutes, conflicts of interest by the authority and its board members, staff and contractors* and any other matters relating to its finances, operation and affairs. *The review by the municipality shall be conducted within one year of an authority's annual audit required under paragraph (2), the review shall be done at the expense of the municipality and the authority shall be exempt the following fiscal year from conducting an audit. If the review by the municipality is being done due to the failure of the authority to make an annual audit, the review shall be at the expense of the authority.***

**\* \* \***

Section 2. This act shall take effect in 60 days.

APPROVED—The 27th day of November, A.D. 2019

TOM WOLF