

LCB File No. R211-08

PROPOSED REGULATION OF THE COMMITTEE ON LOCAL GOVERNMENT FINANCE

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §1, NRS 354.107.

A REGULATION relating to local government financial administration; amending requirements for audits to be based on government auditing standards.

Section 1. NAC 354.715 is hereby amended to read as follows:

1. If the auditor has been engaged to examine only the combined financial statements, the audit report must also present combining, individual fund and account group financial statements for all funds and account groups maintained by the local government. The auditor's report must, in addition to expressing an opinion on the combined financial statements, state whether the combining, individual fund and account group financial statements, and supporting schedules are stated fairly in all material respects in relation to the combined financial statements taken as a whole.

2. If the auditor issues a report on internal accounting control ***OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS, IT MUST BE BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.*** ~~[required by generally accepted accounting standards,]~~ ~~[t]~~The report may be included as a part of the audit report or filed separately. If the report on internal accounting control is to be filed separately, the audit report must include a reference that such a separate report has been filed or will be filed as a public record pursuant to NRS 354.624.

3. The statement which NRS 354.624 requires concerning previously noted deficiencies and recommendations must include, for each previously noted violation of statute or regulation, a statement whether corrective action has been taken to prevent any recurrence, and if so, what progress has been achieved.