

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Local government audit compliance.

Sponsored by: Management Audit Committee

A BILL

for

1 AN ACT relating to the department of audit; requiring local
2 government entities to report to the department of audit
3 regarding compliance with audit findings as specified;
4 providing for the withholding of funding if the local
5 government entity fails to meet the compliance
6 requirements; and providing for an effective date.

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8 *Be It Enacted by the Legislature of the State of Wyoming:*

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10 **Section 1.** W.S. 9-1-507(c) and (j) by creating new
11 paragraphs (v) and (vi) is amended to read:

12

1 **9-1-507. Examination of books of state institutions,**
2 **agencies and certain districts and entities; independent**
3 **audit authorized; guidelines.**

4
5 (c) Audit procedures performed on all state agencies,
6 institutions and municipalities as defined in W.S.
7 16-4-102(a)(xiv) within the state shall be performed in
8 accordance with current government audit standards issued
9 by the United States comptroller general and within the
10 standards for audit of governmental units as promulgated by
11 the American Institute of Certified Public Accountants. If
12 any county, city, town, special district or entity
13 described in W.S. 16-4-125(c) is audited by the department
14 of audit or by a certified public accountant and the audit
15 contains the same or substantially similar finding of
16 noncompliance for a period of three (3) years, the county,
17 city, town, special district or entity shall report to the
18 director of the department of audit not later than ninety
19 (90) days following the date the third finding of
20 noncompliance was submitted to the county, city, town,
21 special district or entity on the action or actions the
22 county, city, town, special district or entity has taken to
23 address the finding of non-compliance.

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2 (j) The director of the department of audit shall
3 certify:

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5 (v) To the director of the state department of
6 revenue, a list of counties, cities and towns that have not
7 addressed findings of non-compliance as required by
8 subsection (c) of this section. Notwithstanding any other
9 provision of law, the director of the department of revenue
10 shall withhold monthly disbursements of state and local
11 sales, use and lodging tax revenues under W.S. 39-15-111
12 and 39-15-211 to the noncompliant county, city or town for
13 the period beginning the month after notice is provided
14 under this paragraph until the director of the department
15 of audit certifies that the noncompliant county, city or
16 town has come into compliance or good cause for
17 noncompliance is shown to the director of the department of
18 audit. All withheld disbursements under this paragraph
19 shall be retained by the director of the department of
20 revenue in the account from which the disbursement would be
21 made until the county, city or town is in compliance with
22 subsection (c) of this section, or as otherwise provided by
23 law. The director of the department of audit shall certify

1 to the director of the department of revenue when a county,
2 city or town comes into compliance with subsection (c) of
3 this section. The director of the department of revenue
4 shall certify monthly to the department of audit, the
5 legislature and the noncompliant county, city or town the
6 amount of disbursements withheld until the noncompliant
7 county, city or town has come into compliance;

8
9 (vi) To the applicable board of county
10 commissioners and the county treasurer of a special
11 district or entity described in W.S. 16-4-125(c), the
12 identity of those special districts or entities that have
13 not addressed findings of non-compliance as required by
14 subsection (c) of this section. Upon this certification and
15 notwithstanding any other provision of law, the county
16 treasurer shall withhold any further disbursements of money
17 to the district or other entity until the director of the
18 department of audit certifies to the county treasurer that
19 the district or other entity has complied with subsection
20 (c) of this section or good cause for noncompliance is
21 shown to the director of the department of audit. The
22 county treasurer shall certify monthly to the department of
23 audit, the legislature and the noncompliant district or

1 entity the amount of disbursements withheld until the
2 noncompliant district or entity has come into compliance.

3

4 **Section 2.** This act is effective July 1, 2027.

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6 (END)