

## AUDITORS AND COMPTROLLERS

TABLE 4.29

### State Auditors: Audits of Local Governments

State or other jurisdiction	Audits local governments	Types of local governments audited				
		Cities	Counties	Non-profit organizations/ for-profits receiving state/ federal awards	Towns & villages	School districts
Alabama	★	...	★(100%)	...	...	★(100% county school districts)
Alaska	...	...	...	...	...	...
Arizona	★	...	★(63%)	...	...	...
Arkansas	★	★(69.8%)	★(100%)	...	...	★(82.5%)
California	★	★	★	★	...	★
Colorado	...	...	...	...	...	...
Connecticut	...	★	...	...	...	...
Delaware	...	...	...	...	...	...
Florida	★	...	...	...	...	★(100%)
Georgia	★	...	...	...	...	★(approx. 90%)
Hawaii	...	...	...	...	...	...
Idaho	...	...	...	...	...	...
Illinois	★	...	...	...	...	...
Indiana	★	★(99%)	★(99%)	...	★(100%)	★(99%)
Iowa	★	★(10%)	★(40%)	...	...	★(1%)
Kansas	...	...	...	...	...	...
Kentucky	★	...	★(approx. 60%)	...	...	...
Louisiana	...	...	...	...	...	...
Maine	...	...	...	...	...	...
Maryland	...	...	...	...	...	...
Massachusetts	★	★	...	★	★	★
Michigan	...	...	...	...	...	...
Minnesota	...	...	...	...	...	...
Legislative Auditor	...	...	...	...	...	...
State Auditor	★	★(69.8%)(3 of 853)	★(70%)(61 of 87)	...	...	...
Mississippi	★	...	★(37%)	...	...	...
Missouri	★	...	★(78)	...	...	★
Montana	...	...	★(18 of 93)	...	...	...
Nebraska	★	...	...	...	★(10 of 520)	...
Nevada	...	...	...	...	...	...
New Hampshire	...	...	...	...	...	...
New Jersey	...	...	...	...	...	...
State Auditor	★	...	...	...	...	★(<0.5% a year)
State Comptroller	★	...	...	...	...	...
New Mexico	★	★(100%)	★(100%)	...	★(94%)	★(100%)
New York	★	★	★	★	★	★
North Carolina	...	...	...	...	...	...
North Dakota	★	★(a)	★(a)	...	★(a)	★(a)
Ohio	★	★(6.7%)	★(24%)	★(<1%)	★(23.5%)	★(16.9%)
Oklahoma	★	★(a)	★(100%)	★(a)	★(a)	★(a)
Oregon	...	...	...	...	...	...
Pennsylvania	★	...	...	...	...	★(100%)
Rhode Island	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
South Carolina	...	...	...	...	...	...
Legislative Audit Council	...	...	...	...	...	...
State Auditor	...	...	...	...	...	...
South Dakota	★	★(<1%)	★(100%)	...	...	★(<1%)
Tennessee	★	...	★(94%)	...	...	...
Texas	★	...	...	★	...	★
Utah	...	...	...	...	...	...
Vermont	...	...	...	...	...	...
Virginia	...	...	...	...	...	...
Washington	★	...	★	...	★	★
West Virginia	...	...	...	...	...	...
Performance Evaluation	...	...	...	...	...	...
Research Division	...	...	...	...	...	...
Post Audit Division	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Wisconsin	...	...	...	...	...	...
Wyoming	★	...	...	...	★(5% per year or less)	★(20% per year)
Guam	★	...	...	★	★	★
Puerto Rico	★	★	...	★	★	★

See footnotes at end of table

TABLE 4.29  
**State Auditors: Audits of Local Governments** (continued)

State or other jurisdiction	Types of local governments audited (con't.)		Audit standards used	GAAP required for local government financial statements
	Other			
Alabama	...		GAAS, GAGAS	★
Alaska	...		...	...
Arizona	Colleges (82%)		GAAS, GAGAS, Uniform Guidance	★
Arkansas	Prosecuting attorneys (100%)		GAAS, GAGAS	No, regulatory basis per Arkansas Code.
California	Any publicly-created entity.		GAGAS	★ Housing authorities are not required to prepare financial statements in accordance with GAAP.
Colorado	...		GAAS, GAGAS (b)	★
Connecticut	...		GAGAS	...
Delaware	...		...	...
Florida	Cities, towns, etc., as directed by the Legislative Auditing Committee, through citizen petition, or the auditor general's discretion		GAAS, GAGAS	★
Georgia	...		GAGAS	★
Hawaii	...		...	...
Idaho	...		...	...
Illinois	As directed by the General Assembly		GAAS, GAGAS	By statute, GAAP is to be followed to the extent possible. Some smaller units of local government report on a cash basis.
Indiana	Audits all public libraries, townships, special taxing districts, state universities, and 10% of public hospitals.		GAAS, GAGAS (c)	No, regulatory basis.
Iowa	Intergovernmental entities organized under Chapter 28E of the Code of Iowa, landfills, community colleges, area education agencies, merged area schools, hospitals		GAAS, GAGAS	GAAP is required for counties, schools, hospitals, community colleges, area education agencies and merged area schools; cash basis is used for cities, landfills and entities organized under Chapter 28E of the Code of Iowa.
Kansas	...		...	...
Kentucky	Local government fee officials (county clerks 100%, sheriffs 100%)		GAAS, GAGAS	No. Regulatory basis for 115/120 counties; 5 of 120 counties follow GAAP.
Louisiana	...		GAGAS (d)	★ The engagement contracts for CPA firms performing audits of local governments in Louisiana are approved by the legislative auditor. These contracts require financial statements to be prepared in accordance with GAAP.
Maine	...		GAAS, GAGAS	★
Maryland	...		GAAS	★
Massachusetts	Cities, towns and school districts are audited by request. Nonprofit organizations are audited as vendors receiving state funds.		GAAS, GAGAS	★
Michigan	...		GAAS (e)	★
Minnesota	Legislative Auditor State Auditor	The Office of the State Auditor also audits regional organizations. The percentage of the population for these entities is undeterminable.	GAGAS	Most entities are required to prepare financial statements in accordance with GAAP. Very small entities report on a non-GAAP basis. Entities use both a cash basis and regulatory basis.
Mississippi	...		GAAS, GAGAS	Some counties prepare GAAP financial statements and some prepare OCBOA (cash/modified cash) financial statements.
Missouri	Other political subdivisions such as cities and special districts upon petition by a subdivision's voters. Also, performance audits of transportation development districts and community improvement districts under separate statutory authority.		GAGAS	No. Some local governments use cash basis.
Montana	...		...	★
Nebraska	...		GAAS, GAGAS	No, cash basis
Nevada	...		...	...
New Hampshire	...		...	...
New Jersey	State Auditor	There are 590 school districts in the state. The office is statutorily required to audit any district with a negative fund balance. Also audits others based on a risk assessment. Actual school district audits—3 to 4 per year.	GAGAS	School districts and public authorities follow GAAP; cities and counties follow OCBOA as required by the state's Local Finance Law which mandates a modified cash basis.
State Comptroller	...		GAGAS	...
New Mexico	...		GAAS, GAGAS (f)	★ cash basis
New York	Fire districts, water districts, local authorities		GAGAS	★ The city of New York is required by law to prepare GAAP financial statements. School districts and Boards of Cooperative Education Services (BOCES) are required by the State Education Department to prepare GAAP financial statements. All other local governments are encouraged to do so, but are not required.

See footnotes at end of table

## AUDITORS AND COMPTROLLERS

TABLE 4.29

### State Auditors: Audits of Local Governments (continued)

State or other jurisdiction	Types of local governments audited (con't.)		Audit standards used	GAAP required for local government financial statements
	Other			
North Carolina	...		...	...
North Dakota	...		GAGAS	No. Counties are required to prepare financial statements. Other local governments are not required to prepare their own financial statements. Cash/modified cash is used.
Ohio	...		GAAS, GAGAS	Ohio Administrative Code 117-2-03 requires counties, cities and school districts, including educational service centers and community schools, and government insurance pools organized pursuant to section 9.833 or 2744.081 of the Ohio Revised Code to file annual financial reports prepared using GAAP. Regulatory basis and cash/modified cash is used.
Oklahoma	District attorneys - 100%; emergency medical service districts - 100%		GAAS, GAGAS (g)	No. Counties may choose GAAP or regulatory basis.
Oregon	...		GAAS, GAGAS	★
Pennsylvania	Schools are only audited for selected objectives. School audits are not a complete audit of school operations, finances, etc. Also audits select non-profits such as volunteer fire relief associates. Audits approximately 300 municipal pension plans, various county officials, liquid fuel tax funds, and related funds within counties and municipalities.		GAGAS (h)	No. Conducts primarily compliance audits related to state funding. Any financial audits are conducted by other auditors. For some engagements of counties and nuncipal government, conducts attestation examinations of statements prepared on a regulatory basis. Other audits of local governments are conducted as performance audits with the primary focus on compliance.
Rhode Island	N.A.		N.A.	N.A.
South Carolina				
Legislative Audit Council	...		...	...
State Auditor	...		...	...
South Dakota	Internal control reviews of cities with \$100,000 to \$600,000 of annual revenue.		GAGAS	No. Not required of any local governments, but school districts all prepare GAAP statements. Local governments generally use modified cash basis.
Tennessee	Joint venture landfill - 100%		GAGAS	★
Texas	Water districts, river authorities, councils of government, municipal transit authorities		GAAS, GAGAS	★
Utah	...		GAAS, GAGAS	★
Vermont	...		(i)	No. Towns that do not use GAAP usually use cash basis.
Virginia	...		GAAS, GAGAS (j)	★
Washington	Sewer districts		GAAS, GAGAS	Large entities are required to prepare in accordance with GAAP and smaller entities can prepare cash basis.
West Virginia				
Performance Evaluation	...		...	...
Research Division	...		...	...
Post Audit Division	N.A.		N.A.	N.A.
Wisconsin	...		...	...
Wyoming	Special districts < 1%		GAGAS	★ Smaller entities can use cash basis.
Guam	...		GAAS, GAGAS	No. Cash/modified cash is used.
Puerto Rico	...		GAAS (k)	★

Sources: *Auditing in the States: A Summary*, 2017 edition. The National Association of State Auditors, Comptrollers and Treasurers and state constitutions and statutes.

Key:

★—Yes

...—No

N.A.—Did not respond to survey.

GAAP—Generally Accepted Accounting Principles

GAAS—Generally Accepted Auditing Standards

GAGAS—Generally Accepted Government Auditing Standards

SAS—Statement on Auditing Standards

(a) Unknown. In Oklahoma, special investigative audits only.

(b) GAGAS is used only when required for single audits.

(c) GAGAS is the standard for single audits only.

(d) The engagement contracts for CPA firms performing audits of local governments in Louisiana are approved by the legislative auditor. These contracts require all local government audits to comply with GAGAS.

(e) If a single audit is required, the audit must be in accordance with GAGAS.

(f) Very small local governments may be eligible for an agreed-upon procedures engagement in lieu of a full audit. The determination is made based on cash basis annual revenue.

(g) Special investigative audits do not follow standards.

(h) Most, but not all, local government audits are conducted in accordance with GAGAS.

(i) Some towns have elected auditors and others hire external auditors (CPA firms). For those towns that hire external auditors, GAGAS is utilized.

(j) Localities are also required to follow the Auditor of Public Accounts Specifications for Audits, which include additional audit procedures specifically related to compliance with state laws and regulations.

(k) For audits started before June 30, 2016, the Office of the Comptroller had its own set of auditing standards. After July 1, 2016, all audits are performed under GAGAS.